SINKUNG
SIN-KUNG LOGISTICS BERHAD
[Registration No. 199401035432 (321115-P)]
(Incorporated in Malaysia)

Lot 1928, Jalan Bukit Kemuning,
40460 Shah Alam, Selangor, Malaysia

Tel : (+60)3-5122 5000
Email : sklkl@sinkung.com.my

SIN-KUNG LOGISTICS BERHAD [Registration No. 199401035432 (321115-P)]

ANNUAL REPORT 2024

SINKUNG

ANNUAL REPORT 2024

World Without Boundaries

www.sinkung.com

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ABOUT US

Our Company was incorporated in Malaysia on 25 October 1994 as a private limited company under the name of Sin-Kung Logistics Sdn Bhd. On 1 August 2022, we converted into a public limited company and adopted our present name.

Our Group is an integrated logistics service provider principally involved in the provision of trucking services with a focus on airport-to-airport road feeder services. Additionally, we also provide container haulage services, warehousing and distribution services and other logistics-related services to our customers.

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SOO MOOI
Independent Non-Executive Chairwoman

ALAN ONG LAY WOOI
Managing Director

DATO' IR. HAJI MOHAMAD BIN DALIB
Independent Non-Executive Director

ADAM MURALIDHARAN BIN ABDULLAH
Independent Non-Executive Director

LEE LEAN SUAN
Independent Non-Executive Director

DATO' HAJI ABDUL WAHABI BIN ABDULLAH
Independent Non-Executive Director

DATUK MD HASSIM BIN PARDI
Non-Independent Non-Executive Director

ANGELINE ONG LAY SHEE
Executive Director

ADELINE ONG LAY SUEN
Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

LEE LEAN SUAN
Chairwoman

DATO' HAJI ABDUL WAHABI BIN ABDULLAH
Member

ADAM MURALIDHARAN BIN ABDULLAH
Member

DATO' IR. HAJI MOHAMAD BIN DALIB
Member

NOMINATING & REMUNERATION COMMITTEE

ADAM MURALIDHARAN BIN ABDULLAH
Chairman

DATO' HAJI ABDUL WAHABI BIN ABDULLAH
Member

DATO' IR. HAJI MOHAMAD BIN DALIB
Member

LEE LEAN SUAN
Member

REGISTERED OFFICE

Lot 1928, Jalan Bukit Kemuning,
40460 Shah Alam,
Selangor Darul Ehsan,
Malaysia
Tel : 03 -5122 5000
Fax : 03 -5124 6000
Email: sklkl@sinkung.com.my

COMPANY SECRETARIES

ANG CHEE HWAI
(SSM PC No. 201908000009)
(MAICSA No. 7030659)

CHIN WAI YI
(SSM PC No. 202008004409)
(MAICSA No: 7069783)

AUDITORS

UHY Malaysia PLT
202406000040
(LLP0041391-LCA) & AF 1411
Chartered Accountants
Suite 11.05, Level 11,
The Gardens South Tower,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur,
W.P. Kuala Lumpur.
Malaysia
Tel : 03-2279 3088
Fax : 03-2279 3099

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
[Registration No. 197101000970 (11324-H)]
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,
W.P. Kuala Lumpur,
Malaysia.
Tel : 03-2783 9299
Fax : 03-2783 9222
Email: is.enquiry@vistra.com

SPONSOR

M&A Securities Sdn. Bhd.
[Registration No. 197301001503 (15017-H)
45 & 47, Levels 3 And 7,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur,
W.P. Kuala Lumpur,
Malaysia.
Tel No : 03-2284 2911
Fax No : 03-2284 2718

CORPORATE OFFICE

Lot 1928, Jalan Bukit Kemuning,
40460 Shah Alam,
Selangor Darul Ehsan,
Malaysia.
Tel No. : 03-5122 5000
Fax No. : 03-5124 6000
Website: http://www.sinkung.my

STOCK EXCHANGE LISTING

ACE Market, Bursa Malaysia Securities Berhad
Stock Code: 0305
Stock Name: SINKUNG

CORPORATE STRUCTURE

SIN-KUNG LOGISTICS BERHAD & GROUP OF COMPANIES

SINKUNG

SIN-KUNG LOGISTICS BERHAD
[Registration No. 199401035432 (321115-P)]
(Incorporated in Malaysia)

- 100% — **BAYAN BERJASA SDN. BHD.**
  Registration No.: 199401020776 (306455-H)
- 100% — **SIN-KUNG FLEET MANAGEMENT SDN. BHD.**
  Registration No.: 202101041684 (1441984-K)
- 100% — **SIN-KUNG PROPERTY MANAGEMENT SDN. BHD.**
  Registration No.: 201801031210 (1293236-W)
- 100% — **SIN-KUNG LOGISTICS (HK) LIMITED**
  Registration No.: 2591349
  - 100% — **SHANGHAI SHUNTONG INTERNATIONAL FREIGHT FORWARDING CO LTD**
    (Unified Social Credit Code. 91310115MA1K3XXU98)
- 100% — **PRIMA AIR SDN. BHD.**
  Registration No.: 198601005603 (154763-W)
- 90% — **SIN KUNG ECOMMERCE LOGISTICS SDN. BHD.**
  Registration No.: 201401020054 (1096140-A)
- 70% — **SIN-KUNG BONDED WAREHOUSE SDN. BHD.**
  Registration No.: 198301001754 (96990-H)

PROFILE OF DIRECTORS

TAN SOO MOOI
Independent Non-Executive Chairwoman

Age	:	57
Nationality	:	Malaysian
Gender	:	Female
Date of Appointment	:	13 August 2022
Board Committee Membership	:	None

Academic / Professional Qualifications:
1. Bachelor of Accounting from University of Malaya
2. Chartered Accountant of Malaysian Institute of Accountant (MIA)

Working Experience:

Ms. Tan Soo Mooi (**"Ms. Tan"**) graduated from University of Malaya with Bachelor degree in Accounting (Honour) and obtained accounting professional qualification from Malaysian Institute of Certified Public Accountants (**"MICPA"**). She is a Chartered Accountant registered with Malaysia Institute of Accountants ("**MIA**").

She started her career in auditing from year 1992 to 1994 where she gained her audit experience in auditing of clients of different type of industries ranging from trading, manufacturing and stockbroking. She then switched her career path to commercial industries by joining subsidiary companies of public listed company as an Accountant from year 1994 to 1998.

She subsequently joined a multinational company as an Accountant from year 1998 to 2017 where she first joined as Deputy Finance Manager and promoted as Group Financial Controller thereafter. She also sat on the Board of the group of companies in Malaysia and Thailand since year 2011. Her job responsibilities in the commercial industries were mainly in the areas of accounting, finance, taxation, internal control, corporate governance, purchasing and administration.

She is currently an Independent and Non-Executive Director of Tek Seng Holdings Berhad.

Other Directorship In Public Companies and Listed Issuers :

Tek Seng Holdings Berhad

Relationship with any director and/or major shareholder of listed issuer :

Nil

Conflict of Interest/Potential Conflict of Interest with listed issuer or its subsidiaries :

Nil

Any other convictions (aside from traffic offence) :

Nil

PROFILE OF DIRECTORS

ALAN ONG LAY WOOI
Managing Director

Age	:	41
Nationality	:	Malaysian
Gender	:	Male
Date of Appointment	:	11 February 2003
Board Committee Membership	:	None

Academic / Professional Qualifications:
STPM, Sekolah Menengah Kebangsaan Datok Lokman

Working Experience:

Mr. Alan Ong Lay Wooi (**"Mr. Alan"**) is involved in overseeing Sin-Kung Logistics Berhad (**"SKL"**) and its' subsidiaries (**"the Group"**)'s business operations, and is responsible in setting and formulating strategic directions to drive the business development, growth and expansion of the Group.

He had completed training courses related to the requirements and practices of internal quality audit pertaining to ISO 9001:2000 and ISO 9001:2008 in 2007 and 2013 respectively, as well as a training course on Good Distribution Practice for Medical Devices (**"GDPMD"**) in 2017. He also passed and obtained his Non-Executive KEK certificate from AKMAL in 2018.

Prior to formal employment in SKL, he had been working as Maintenance Assistant with SKL and to deepen his knowledge and technical skills in vehicle maintenance, he participated and completed several training courses in relation to vehicle systems covering diesel brake and steering system as well as filtration system. In 2002, he was appointed as Maintenance Manager where he was involved in managing the daily operations of our Purchasing Department, handling group licensing related matters, and dealing with government authorities in obtaining, renewing and maintaining the licences required for our business operations.

Subsequently in 2003, as the successor to his father, Ong Leng Jin, who was the founder of the Group, he was appointed as Executive Director of SKL. Since then, he gradually undertook additional roles and responsibilities covering amongst others, operational and business development, and setting strategic directions for the growth and expansion of the Group, and eventually was appointed as Managing Director in 2015, a position he holds to-date.

Other Directorship In Public Companies and Listed Issuers :

Nil

Relationship with any director and/or major shareholder of listed issuer :

1. Brother to Angeline Ong Lay Shee, the Executive Director and major shareholder of SKL.
2. Brother to Adeline Ong Lay Suen, the Executive Director and major shareholder of SKL by virtue of her interest in shares in Lille Management Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
3. Brother to Ameline Ong Lay Ling and Alex Ong Lay Ming, who are deemed as the major shareholders of SKL by virtue of their interest in shares in Lille Management Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Conflict of Interest/Potential Conflict of Interest with listed issuer or its subsidiaries :

Nil

Any other convictions (aside from traffic offence) :

Nil

PROFILE OF DIRECTORS (CONT'D)

DATUK MD HASSIM BIN PARDI

Non-Independent Non-Executive Director

Age	:	72
Nationality	:	Malaysian
Gender	:	Male
Date of Appointment	:	30 November 2021
Board Committee Membership	:	None

Academic / Professional Qualifications:

1. Bachelor of Arts (Hons) from University of Malaya
2. Diploma in Public Administration from University of Malaya

Working Experience:

Datuk Md Hassim Bin Pardi (**"Datuk Hassim"**) joined the RMCD in 1976 as Superintendent of Customs, where he was tasked as an investigation officer, raiding officer and prosecution in court. While continuing to pursue his career, he was granted full pay study leave by the RMCD where he completed his Diploma in Public Administration at the University of Malaya.

In 1985, Datuk Hassim resumed his employment in the RMCD as Assistant Director – Head of Enforcement Department in the Kuantan office where he was responsible for managing the enforcement department specifically on matters pertaining to investigation and prosecution. Datuk Hassim was transferred to the RMCD's Sabah office in 1991 as Assistant Director of Customs Department where he was mainly involved in managing customs matters pertaining to sales and service tax. In 1995, he was promoted to Senior Assistant Director at the RMCD's Port Klang office where he was in charge of the audit department. Between 1997 and 2007, he was the State Customs Director in several state offices in Perlis, Melaka and Sarawak, where he was responsible for overseeing state office operations including carrying out intelligence operations on smuggling activities and enforcement tasks against offences involving Intellectual Property Rights, Anti Money Laundering and Terrorist Financing Act 2001, Anti Trafficking in Persons Act 2007, and Weapons of Mass Destruction.

In 2007, Datuk Hassim was promoted to Director of Corporate Planning Division at the RMCD's Putrajaya headquarters where he was responsible for identifying areas of improvement and formulating strategies to improve customs services. In 2009, he was promoted to Assistant Director General of Customs (Enforcement and Compliance) where he oversaw the enforcement and compliance division. His responsibilities also included formulating plans in conducting systematic and efficient audits on licensees and importers to ensure proper collection of taxes. He retired from the RMCD in 2010.

Datuk Hassim was appointed as Independent Non-Executive Director of JAG Berhad in 2011, a position he holds to-date. Datuk Hassim is currently responsible for providing customs formalities advisory services to the Group.

Other Directorship In Public Companies and Listed Issuers :

Nil

Relationship with any director and/or major shareholder of listed issuer :

Nil

Conflict of Interest/Potential Conflict of Interest with listed issuer or its subsidiaries :

Nil

Any other convictions (aside from traffic offence) :

Nil

PROFILE OF DIRECTORS (CONT'D)

ANGELINE ONG LAY SHEE
Executive Director

Age	:	35
Nationality	:	Malaysian
Gender	:	Female
Date of Appointment	:	18 April 2013
Board Committee Membership	:	None

Academic / Professional Qualifications:
1. SPM, Sekolah Menengah Kebangsaan Datok Lokman
2. Chief Technology Programme, National University of Singapore

Working Experience:

Ms. Angeline Ong Lay Shee (**"Ms. Angeline"**) joined SKL in 2007 as a Management Trainee in IT Department where she was involved in upkeeping and maintaining computer and software systems used in the business operations, which include planning for the purchase, upgrade and update of hardware and software as well as identifying suitable software systems to enhance the Group's operations. She also undertook additional responsibilities in customer service to provide support to, and maintain relationships with the Group's customers.

In 2009, she was promoted to Head of Group IT and Insurance Claims where she led the operations of the IT Department and matters pertaining to insurance and claims. She also took on additional responsibilities in managing daily operational matters of trucking business and other logistics-related business, customer service as well as assisting in network planning for customers of trucking services, and service route coverage. Further, she also assisted in matters related to banking operations including exploring and liaising with bankers for facilities available for borrowings and savings.

In 2013, Ms. Angeline was appointed as Executive Director of SKL, assuming her current responsibilities.

Ms. Angeline is responsible for overseeing the information technology division as well as insurance-related matters covering enquiries, purchases and claims of insurance by the Group.

Other Directorship In Public Companies and Listed Issuers :

Nil

Relationship with any director and/or major shareholder of listed issuer :

1. Sister to Alan Ong Lay Wooi, the Managing Director and major shareholder of SKL.
2. Sister to Adeline Ong Lay Suen, the Executive Director of SKL and deemed as the major shareholder of SKL by virtue of her interest in shares in Lille Management Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
3. Sister to Ameline Ong Lay Ling and Alex Ong Lay Ming, who are deemed as the major shareholders of SKL by virtue of their interest in shares in Lille Management Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Conflict of Interest/Potential Conflict of Interest with listed issuer or its subsidiaries :

Nil

Any other convictions (aside from traffic offence) :

Nil

PROFILE OF DIRECTORS (CONT'D)

ADELINE ONG LAY SUEN

Executive Director

Age	:	34
Nationality	:	Malaysian
Gender	:	Female
Date of Appointment	:	12 August 2022
Board Committee Membership	:	None

Academic / Professional Qualifications:

1. Bachelor of Business and Commerce from Monash University, Malaysia
2. Graduate Diploma of Accounting from Deakin University, Australia

Working Experience:

Ms. Adeline Ong Lay Suen (**"Ms. Adeline"**) is responsible for overseeing the Group's warehouse division including managing matters related to customer enquiries, preparation of quotations, negotiation of pricing and terms with customers, accommodation of customers' special requests and overall warehousing operations.

In 2008, while pursuing her degree in university, she joined SKL as Human Resource Executive on a part time basis where she assisted in ad-hoc human resource related activities, matters pertaining to vehicle maintenance and ISO compliance, as well as administrative works. In 2011, she became Accounts and Operations Executive, also on a part-time basis, where she assisted in the preparation of quotations and documentations for our customers, as well as being involved in managing petty cash and implementing a new accounting system.

Upon graduating from Monash University in April 2014, Ms. Adeline joined United Overseas Bank (M) Bhd as a Management Trainee Officer where she was involved in marketing related tasks in several branches of the bank. In August 2014, she was promoted to Marketing Manager where she was responsible for promoting the bank's loan products to small and medium enterprises, until she left in September 2015.

In October 2015, she joined Standard Chartered Bank Malaysia Berhad as Business Development Executive, Business Clients where her responsibilities included preparing credit papers and analysing customers' financial reports, cash flow statements and management accounts for loan applications. In 2019, she left to further her studies at Deakin University, Australia.

Upon completing her studies in Deakin University in 2021, Ms. Adeline joined SKL as Business Development Manager, where she was responsible for amongst others, implementing business strategies according to the strategic directions set by directors, overseeing the operations of warehousing and distribution division and forwarding division, overseeing customer support, and formulating strategies to ensure the Group operates according to the budgetary controls set by Finance Department. In August 2022, Ms. Adeline was appointed as Executive Director of SKL, a position she holds to-date, assuming her current responsibilities.

Other Directorship In Public Companies and Listed Issuers :

Nil

Relationship with any director and/or major shareholder of listed issuer :

1. Sister to Alan Ong Lay Wooi, the Managing Director and major shareholder of SKL.
2. Sister to Angeline Ong Lay Shee, the Executive Director and major shareholder of SKL.
3. Sister to Ameline Ong Lay Ling and Alex Ong Lay Ming, who are deemed as the major shareholders of SKL by virtue of their interest in shares in Lille Management Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Conflict of Interest/Potential Conflict of Interest with listed issuer or its subsidiaries :

Nil

Any other convictions (aside from traffic offence) :

Nil

PROFILE OF DIRECTORS (CONT'D)

DATO' HAJI ABDUL WAHABI BIN ABDULLAH
Independent Non Executive Director

Age : 62
Nationality : Malaysian
Gender : Male
Date of Appointment : 13 August 2022
Board Committee Membership :

1. Member of the Audit and Risk Management Committee
2. Member of the Nominating and Remuneration Committee

Academic / Professional Qualifications:
Bachelor of Science (Nuclear Science) with Honours from University Kebangsaan Malaysia

Working Experience:

Dato' Haji Abdul Wahabi bin Abdullah (**"Dato' Abdul"**) joined the RMCD in 1985 as Customs Superintendent, where he was responsible for the processing of goods imported to Malaysia and processing of internal tax licences. In 2002, he was promoted to Senior Assistant Director of Customs, where he was responsible for the enforcement and operations of preventive measures.

In 2011, Dato' Abdul was promoted to Deputy Director of Customs where he was responsible for overseeing the enforcement and operations of preventive measures. In 2018, he was further promoted to Director of Customs. where he was involved in overseeing the administration of the customs department in KLIA and the enforcement and operations of preventive measures.

In March 2021, Dato' Abdul was promoted to Assistant Director General of Customs (Enforcement) where he was responsible for overseeing and managing all customs enforcement matters throughout Malaysia. In December 2021, he was promoted to Deputy Director General of Customs (Enforcement & Compliance), where his responsibilities expanded to policy making of customs enforcement matters throughout Malaysia prior to his retirement in 2022.

Other Directorship In Public Companies and Listed Issuers :

Nil

Relationship with any director and/or major shareholder of listed issuer :

Nil

Conflict of Interest/Potential Conflict of Interest with listed issuer or its subsidiaries :

Nil

Any other convictions (aside from traffic offence) :

Nil

PROFILE OF DIRECTORS (CONT'D)

DATO' IR. HAJI MOHAMAD BIN DALIB
Independent Non-Executive Director

Age	:	66
Nationality	:	Malaysian
Gender	:	Male
Date of Appointment	:	13 August 2022
Board Committee Membership	:	

1. Member of the Audit and Risk Management Committee
2. Member of the Nominating and Remuneration Committee

Academic / Professional Qualifications:
Bachelor of Engineering (Manufacturing Engineering) from University of Sunderland, United Kingdom

Working Experience:

Dato' Ir. Haji Mohamad bin Dalib (**"Dato' Mohamad"**) has been a Professional Engineer with Practising Certificate of the Board of Engineers Malaysia since 2015.

In 1977, he joined Syarikat Hargill Malaysia Sdn. Bhd. as Apprentice Mechanic where he was involved in repairing heavy machinery and vehicles.

In 1983, he joined the Road Transport Department of Malaysia (a department under the Ministry of Transport of Malaysia) as Vehicle Examiner where he was responsible for inspecting commercial and private vehicles. In 1994, he took a study break to pursue his studies in University of Sunderland, United Kingdom. Upon completing his studies in 1997, he returned to Malaysia and rejoined the Road Transport Department of Malaysia where he undertook the same role prior to his study break. In 1999, he was promoted to Assistant Director of the Automotive Engineering Division where he was responsible for leading and managing technical matters pertaining to modification and inspection activities of commercial vehicles.

In 2008, he was promoted to Director of the Automotive Engineering Division where he was responsible for approving modifications of vehicles on behalf of the Director General. He retired in 2018 and established DIMD Automotif Consultant, a sole proprietorship where he is presently involved. He provides advisory and consultancy services on vehicle approvals to automotive companies.

Other Directorship In Public Companies and Listed Issuers :

Nil

Relationship with any director and/or major shareholder of listed issuer :

Nil

Conflict of Interest/Potential Conflict of Interest with listed issuer or its subsidiaries :

Nil

Any other convictions (aside from traffic offence) :

Nil

PROFILE OF DIRECTORS (CONT'D)

ADAM MURALIDHARAN BIN ABDULLAH

Independent Non-Executive Director

Age : 58
Nationality : Malaysian
Gender : Male
Date of Appointment : 13 August 2022
Board Committee Membership :

1. Chairman of the Nominating and Remuneration Committee
2. Member of the Audit and Risk Management Committee

Academic / Professional Qualifications:
Sekolah Tinggi Segamat, Johor

Working Experience:

Mr. Adam Muralidharan bin Abdullah ("**Mr. Adam**") had on 1985 obtained his Sijil Pelajaran Malaysia from Sekolah Tinggi Segamat, Johor. In 1986, he obtained his Certificate in Food and Beverage Management and Front Office Procedures from The Educational Institute of the American Hotel and Motel Association.

In 1988, Mr. Adam joined Sankyu (Singapore) Pte Ltd in Singapore as Contract Staff where he was involved in the coordination of warehouse operations. In 1990, he left Sankyu (Singapore) Pte Ltd and joined Singapore Prisons Department as Officer (Contract Service) where he was responsible for managing inmates and maintaining order within the prison facility. He left the Singapore Prison Department and returned to Malaysia in 1994.

In 1994, Mr. Adam joined Sri Bayanaemas Warehousing (K.L.) Sdn Bhd as Security Officer. He was responsible for managing warehouse operations and inbound and outbound movement of goods. He left the company in 1998.

In 1999, Mr. Adam joined Air Express International Malaysia Sdn Bhd as Security Department Manager where he was responsible for overseeing overall security operations. He left the company in December 2000.

In 2001, Mr. Adam joined Danzasmal Domestic Logistics Services Sdn Bhd (DHL Global Forwarding) as Security Department Manager where he was responsible for overseeing overall security operations. He held various positions in the company over the years and he left Danzasmal Domestic Logistics Services Sdn Bhd (DHL Global Forwarding) in 2021 as Branch Manager of KLIA branch, where he was involved in managing the financial performance of the branch and staff performance.

In 2022, Mr. Adam joined Ecologis Services (M) Sdn Bhd as Business Development Director where he was involved in providing advisory services for airport handling operations. He continues to hold this position to-date.

Other Directorship In Public Companies and Listed Issuers :

Nil

Relationship with any director and/or major shareholder of listed issuer :

Nil

Conflict of Interest/Potential Conflict of Interest with listed issuer or its subsidiaries :

Nil

Any other convictions (aside from traffic offence) :

Nil

PROFILE OF DIRECTORS (CONT'D)

LEE LEAN SUAN
Independent Non-Executive Director

Age	:	57
Nationality	:	Malaysian
Gender	:	Female
Date of Appointment	:	13 August 2022
Board Committee Membership	:	

1. Chairwoman of the Audit and Risk Management Committee
2. Member of the Nominating and Remuneration Committee

Academic / Professional Qualifications:
1. Bachelor of Accounting from University of Malaya
2. Chartered Accountant of MIA
3. Associate Member of the Chartered Tax Institute of Malaysia
4. Fellow Member of the Chartered Tax Institute of Malaysia

Working Experience:

Ms. Lee Lean Suan (**"Ms. Lee"**) began her career as an auditor from 1992 to 1995 in an international audit firm, where she gained extensive experience auditing clients across various industries, including trading, manufacturing, retail, finance, banking, property development, and services. She was also involved in corporate business services, assisting clients in listing on the Kuala Lumpur Stock Exchange (KLSE) and serving as a Financial Consultant for abandoned housing projects under Tabung Projek Perumahan Terbengkalai, Bank Negara Malaysia.

In 1995, she joined a public listed company as Group Accountant, where she was responsible for consolidated group accounts, finance, treasury, taxation, internal control, corporate governance, and administration. She was later promoted to Financial Controller and subsequently Chief Executive Officer ("**CEO**") of a subsidiary within the group, playing a key role in establishing the education arm of the organization.

In 2003, Ms. Lee led a management buyout of a private institution of higher learning from the group. As CEO and Financial Director, she successfully upgraded the institution to a five-star-rated international college before retiring in 2018.

In February 2023, she was appointed as an Independent Non-Executive Director of Luster Industries Bhd, where she currently serves as the Chairman of the Audit and Remuneration Committee and a member of the Nominating and Risk Committee.

Other Directorship In Public Companies and Listed Issuers :

Luster Industries Bhd

Relationship with any director and/or major shareholder of listed issuer :

Nil

Conflict of Interest/Potential Conflict of Interest with listed issuer or its subsidiaries :

Nil

Any other convictions (aside from traffic offence) :

Nil

KEY SENIOR MANAGEMENT

AMELINE ONG LAY LING

General Manager of Sin-Kung Logistics Berhad ("SKL")

Age	:	32
Nationality	:	Malaysian
Gender	:	Female
Date of Appointment	:	1 August 2022

Academic / Professional Qualification(s):
Bachelor of Business and Commerce, Monash University Malaysia

Working Experience:
Ms. Ameline Ong Lay Ling ("**Ms. Ameline**") is responsible for leading our Group's transport division, safety, security and compliance division as well as human resources and administrative division. She also oversees the implementation of quality standards and policies to ensure continuous compliance to with the relevant quality standards as well as laws and regulations.

Prior to formal employment in SKL, Ms. Ameline had been working as Human Resource and Administrative Executive with SKL on a part-time basis starting from 2007, and continuing through 2010 when she began her university studies, where she managed the overall operations of human resource and administrative functions.

Ms. Ameline was promoted to Assistant General Manager in 2014. She was involved in overseeing the daily operations of the transport and warehouse division, procurement related matters, management of overall human resources and administrative functions as well as the development and implementation of quality standards and policies to ensure continuous quality compliance.

In 2017, she successfully led SKL in transitioning from ISO 9001:2008 to ISO 9001:2015 certification. In 2019, she spearheaded SKL to obtain the Good Distribution Practice for Medical Devices (**"GDPMD"**) certification.

In January 2022, Ms. Ameline was promoted to Deputy General Manager (Central). She was responsible for leading our Group's transport division, safety, security and compliance division; as well as human resource and administrative division in Central region, Malaysia. In August 2022, she was promoted to General Manager, a position she holds to-date. Under her leadership, SKL has successfully obtained Malaysian Authorised Economic Operator (**"AEO"**) status from Royal Malaysian Customs Department (**"RMCD"**).

Other Directorship In Public Companies and Listed Issuers:
Nil

Relationship with any director and/or major shareholder of listed issuer:

1. Sister to Alan Ong Lay Wooi, the Managing Director and major shareholder of SKL.
2. Sister to Angeline Ong Lay Shee, the Executive Director and major shareholder of SKL.
3. Sister to Adeline Ong Lay Suen, the Executive Director and major shareholder of SKL by virtue of her interest in shares in Lille Management Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
4. Sister to Alex Ong Lay Ming, who is deemed as the major shareholder of SKL by virtue of his interest in shares in Lille Management Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Conflict of Interest with listed issuer:
Nil

Any other convictions (aside from traffic offence):
Nil

KEY SENIOR MANAGEMENT (CONT'D)

SEE AI LIAN
Financial Controller of SKL

Age	:	30
Nationality	:	Malaysian
Gender	:	Female
Date of Appointment	:	19 September 2023

Academic / Professional Qualification(s):
1. Certified Accounting Technician Programme, Sunway College
2. Member of Association of Chartered Certified Accountants (ACCA)
3. Chartered Accountant of Malaysian Institute of Accountants (MIA)

Working Experience:
Ms. See Ai Lian (**"Ms. Stephy"**) completed the Certified Accounting Technician Programme at Sunway College in 2013. Following this, she completed the ACCA programme in 2016. She was admitted as a member of the ACCA and has been a Chartered Accountant of MIA since 2019.

In 2015, she began her career by joining Hong Associates as Audit Assistant where she prepared and maintained accounting and audit documents as well as involved in audit works for dormant companies and SMEs primarily in the manufacturing and trading industries. She left the company in February 2016 to focus on completing the ACCA programme.

Towards the end of the ACCA programme, she joined Crowe Horwath (now known as Crowe Malaysia PLT) in April 2016 as Audit Assistant where she was involved in audit works for dormant companies and SMEs primarily in the trading, manufacturing and food and beverage industries. In 2017, she was promoted to Senior Assistant, where she was involved in audit works for active companies and public listed companies primarily in the trading, manufacturing and food and beverage industries. In 2018, she was promoted to Audit Senior where her responsibilities expanded to include leading an audit team by supervising workflow and coaching team members.

She left Crowe Horwath in 2019 and joined Shopee Mobile Malaysia Sdn Bhd as Senior Finance Associate where she was responsible for preparing financial reports, accounting and tax documents, and financial forecasts, as well as guiding team members' works.

She left Shopee Mobile Malaysia Sdn Bhd in May 2023 and joined our Group as Finance Manager where she was responsible for the preparation of tax documents as well as group financial and management reports. She was promoted to Financial Controller of our Group in 19 September 2023, a position she holds to-date.

Ms. Stephy is currently responsible for overseeing Sin-Kung Logistics Berhad and its' subsidiaries (**"the Group"**)'s finance and accounting divisions which include preparation of financial and management reports, taxation, financial planning and forecast.

Other Directorship In Public Companies and Listed Issuers:
Nil

Relationship with any director and/or major shareholder of listed issuer:
Nil

Conflict of Interest with listed issuer:
Nil

Any other convictions (aside from traffic offence):
Nil

KEY SENIOR MANAGEMENT (CONT'D)

TAN PEI WUN
Finance Manager of SKL

Age	:	34
Nationality	:	Malaysian
Gender	:	Female
Date of Appointment	:	19 September 2023

Academic / Professional Qualification(s):
1. Certified Accounting Technician Programme, Sunway University College
2. Fellow Member of ACCA
3. Chartered Accountant of MIA

Working Experience:
Tan Pei Wun is responsible in assisting See Ai Lian, our Financial Controller, in preparation of financial and management reports, taxation, financial planning and forecast.

In 2008, she completed the Certified Accounting Technician Programme at Sunway University College. Following this, she completed the ACCA programme in 2012. She was admitted as a member and a fellow of the ACCA in 2013 and 2018 respectively. She has been a Chartered Accountant of the MIA since 2013.

In 2009, she began her career by joining ICM Professional Consultancy Sdn Bhd as Accounts Clerk where she prepared, maintained and filed accounting and tax documents. She left the company in 2010 to focus on pursuing the ACCA programme.

Towards the end of the ACCA programme, she joined Crowe Horwath in 2011 as Audit Assistant where she was involved in audit works for dormant companies. In 2012, she was promoted to Senior Assistant, where she was involved in audit works for active companies. In 2013, she was promoted to Audit Senior where her responsibilities expanded to include leading an audit team by supervising workflow and reviewing audit works. She left the company in 2014 and took a career break.

In 2015, she co-founded MJ Consultancy Services together with another partner. As a Partner, she was involved in providing outsourced accounting services for sole proprietorships, partnerships and private companies.

In 2018, she joined our Group as Accountant where she was involved in managing the preparation of financial reports and projections. Since then, she has been inactive in MJ Consultancy Services until MJ Consultancy Services was dissolved in 2019. In 2022, she was promoted to Chief Financial Officer of our Group where she was responsible in overseeing our Group's finance and accounting divisions which include preparation of financial and management reports, taxation, financial planning and forecast. In October 2023, she was re-designated as our Finance Manager, a position she holds to date.

Other Directorship In Public Companies and Listed Issuers:
Nil

Relationship with any director and/or major shareholder of listed issuer:
Nil

Conflict of Interest with listed issuer:
Nil

Any other convictions (aside from traffic offence):
Nil

ONG YIT HWA
Deputy General Manager (Northern Region)

Age	:	52
Nationality	:	Malaysian
Gender	:	Male
Date of Appointment	:	1 January 2022

Academic / Professional Qualification(s):
1. Sekolah Menengah Laki-Laki Methodist, Penang

Working Experience:
Ong Yit Hwa is responsible for leading the Group's transport division, warehouse division and administrative division in northern Malaysia.

In 1992, he completed his STPM in Sekolah Menengah Laki-Laki Methodist, Penang. In 2005, he passed and obtained the KEK certificate from AKMAL.

In 1993, he began his career when he joined SKL as a General Clerk where he assisted in office administrative tasks. He left the company and joined Ban Hin Lee Bank Berhad in 1994 as a Teller Clerk where he was involved in handling front-desk banking transactions.

In 1996, he left Ban Hin Lee Bank Berhad and re-joined SKL as Warehouse Assistant Manager where he was responsible for assisting the warehouse manager in managing daily warehousing operations. In 1997, he was promoted to Warehouse Manager where he was responsible for managing and overseeing overall warehousing operations.

In 1998, he was appointed as Director of SKL where he was tasked to manage and coordinate operations in our Penang office. In 2013, he resigned from the directorship of SKL and he was redesignated to Operation Director of Penang Branch and assumed similar responsibilities. In 2022, his responsibilities were expanded to cover the management and overseeing of the operations of our Group in the northern region on Peninsular Malaysia when he was promoted to Deputy General Manager (Northern Region), a position he holds to-date.

Other Directorship In Public Companies and Listed Issuers:
Nil

Relationship with any director and/or major shareholder of listed issuer:
Nil

Conflict of Interest with listed issuer:
Nil

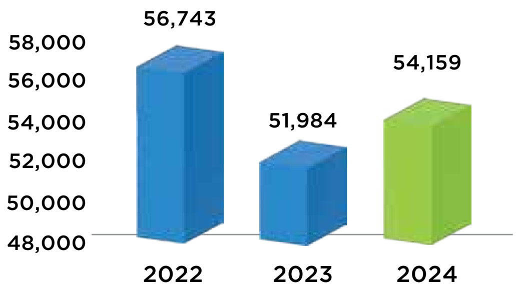
Any other convictions (aside from traffic offence):
Nil

FINANCIAL HIGHLIGHT

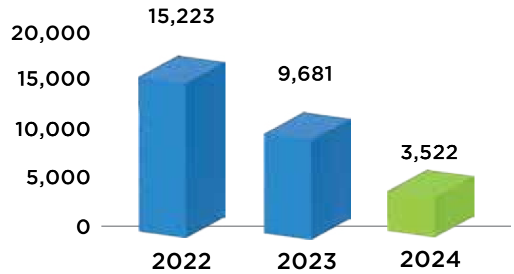
Financial Year Ended 31 December ("FYE")	2022 RM'000	2023 RM'000	2024 RM'000
Revenue	56,743	51,984	54,159
Profit Before Tax	15,223	9,681	3,522
Profit Attributable to Owners of the Company	12,339	6,418	(711)
Total Assets	110,608	138,319	183,368
Total Equity	53,867	60,268	84,311
Basics Earnings per Share ("EPS") (sen)	1.23	0.64	(*)(0.06)

(*) Calculated based on the Company's share capital of 1,200,000,000 ordinary shares after the Company was listed on the ACE Market of Bursa Securities on 15 May 2024. The number of ordinary shares used in calculating the comparative figures have been restated to reflects the enlarged number of shares.

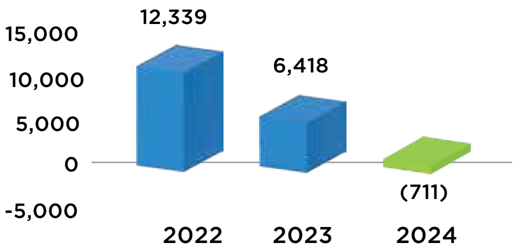
REVENUE (RM'000)



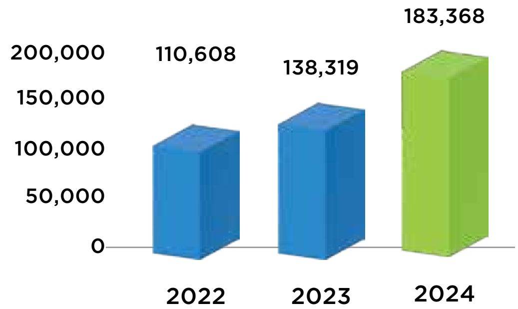
Profit Before Tax (RM'000)



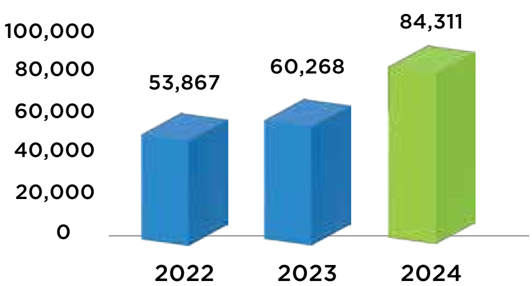
Profit attributable to Owners of the Company (RM'000)



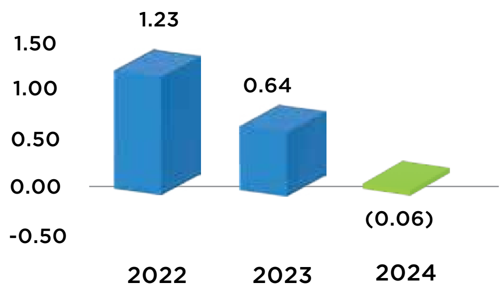
Total Assets (RM'000)



Total Equity (RM'000)



Basic EPS (Sen)



CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors, it is with great pride and gratitude that I present Sin-Kung Logistics Berhad's ("SINKUNG" or "the Group") inaugural Annual Report for the financial year ended 31 December 2024 ("FY2024"). This year has been a landmark period for SINKUNG, marked by our successful listing on the ACE Market of Bursa Malaysia on 15 May 2024.

The successful completion of our Initial Public Offering ("IPO") has served as a pivotal catalyst for SINKUNG's growth trajectory. The strong investor response, spanning institutional, high-net-worth, and retail segments, validates our vision and potential. We are deeply appreciative of the confidence placed in us and look forward to delivering value to our shareholders.

Reflecting on Our Journey

Our journey from a modest trucking service provider in 1994 to a publicly listed logistics company today is a testament to the dedication, resilience, and vision of our team, shareholders, and stakeholders.

Since our inception, we have achieved numerous milestones, including the expansion of our service offerings, the establishment of key offices and warehouses across Peninsular Malaysia, and the attainment of various certifications and awards. These achievements reflect our commitment to excellence, innovation, and customer satisfaction. Our listing on the stock exchange was a strategic move to further enhance our capabilities, expand our market presence, and deliver sustainable value to our shareholders.

The completion of our RM20.7 million acquisition of a 100% stake in Prima Air Sdn Bhd on 13 March 2025 marks a significant leap forward in our growth strategy. Prima Air is an air cargo transportation company that also operates in private jet charters and aircraft maintenance (MRO). They hold an Air Service Permit and an Air Operator Certificate for non-scheduled commercial flights. With this acquisition, SINKUNG is now poised to launch air cargo services in the third quarter of 2025 (3Q25), further diversifying our service portfolio and strengthening our competitive edge.

Navigating the Logistics Landscape in 2024

The logistics industry in 2024 presented both challenges and opportunities. Globally, the industry continued to face supply chain disruptions, economic uncertainties, and evolving customer demands. Locally, we navigated challenges such as securing experienced drivers and managing operational costs. However, these challenges also spurred innovation and efficiency improvements within the Group.

We capitalised on key industry trends, including the growing demand for e-commerce logistics, technological advancements, and the need for sustainable practices. Our ability to adapt and innovate has positioned us as a reliable and forward-thinking logistics partner in the region.

Our Core Business and Competitive Edge

SINKUNG is a logistics company that offers a comprehensive suite of services, including trucking, warehousing and distribution, container haulage, licensed brokerage and forwarding, express delivery, and cargo escort services. Our core business, encompassing trucking, warehousing and distribution, forms the foundation of our operations. Specifically, we provide airport-to-airport road feeder services across Peninsular Malaysia, Singapore, and Thailand, as well as point-to-point trucking services for domestic, import, and export cargo.

CHAIRMAN'S STATEMENT (CONT'D)

The expansion into air cargo services through Prima Air will enable SINKUNG to deliver end-to-end supply chain solutions by integrating cross-border air freight with our established road feeder network. This strategic move will foster interline partnerships with airline customers, enhance our service offerings, unlock new revenue streams, and further position SINKUNG as a leading provider in International Integrated Logistics Services (IILS).

Our warehousing and distribution services include strategically located facilities, with climate-controlled options for sensitive goods. The Group's extensive airport coverage and ownership of diverse commercial vehicles ensure efficient cargo transfer, strong connectivity, and enhanced operational control.

Backed by 30 years of industry expertise, SINKUNG offers a reliable, one-stop logistics solution. Our in-house vehicle maintenance reduces downtime, while our experienced management team drives strategic direction. Additionally, our Authorised Economic Operator status from the Royal Malaysian Customs Department reflects our commitment to high compliance and security standards, providing clients with the added benefit of streamlined customs procedures.

Financial Performance and Strategic Growth

In our inaugural year as a listed entity, SINKUNG demonstrated strong financial momentum. We achieved significant revenue growth, with revenue reaching RM54.16 million for FY2024. This growth was fueled by increased demand for our logistics services and effective cost management initiatives. Our profit before tax stood at RM3.52 million. This reflects our ability to capitalise on market opportunities and manage operational costs effectively.

The proceeds from our IPO have been strategically allocated to expand our warehousing and distribution business, grow our trucking and container haulage fleet, and enhance our operational capabilities. These initiatives are aligned with our long-term vision of becoming a leading logistics provider in the region.

In 2024, we made significant investments in infrastructure and technology to drive growth and enhance service delivery. We prioritised workforce development through comprehensive training programs, ensuring a skilled and capable talent pool. Proactively managing supply chain challenges allowed us to minimise disruptions and maintain high levels of customer satisfaction.

To strengthen our operational and financial resilience, the Group implemented strategic risk mitigation measures. Our in-house maintenance and repair services played a crucial role in reducing vehicle downtime and optimising fleet utilisation. Through these efforts, we reinforced our commitment to efficiency, reliability, and sustainable growth.

Commitment to Corporate Governance and Sustainability

At SINKUNG, we prioritise good corporate governance practices, including board independence, ethical business conduct, and transparency. Our commitment to environmental, social, and governance ("ESG") initiatives is integral to our operations.

We have adopted green logistics practices, such as optimising delivery routes to reduce fuel emissions, transitioning to electric-powered forklifts, and implementing energy-saving measures in our warehouses. Additionally, we are committed to promoting employee well-being, ensuring the safety and quality of our drivers.

Our stakeholders are central to our business. We maintain transparent communication with shareholders through reports, briefings, and press releases, while also engaging with regulators and supporting the communities we serve through outreach initiatives.

Our Vision for the Future

As we look to the future, our key financial targets and strategic priorities for 2025 and beyond include revenue growth, market share expansion, and the introduction of new service offerings. We are confident that the continued growth of e-commerce, technological advancements in logistics, and our expansion into new geographies will be key drivers of our success.

We are committed to positioning SINKUNG as a leader in the evolving logistics landscape. Our focus on innovation, sustainability, and customer-centric solutions will enable us to navigate future challenges and seize new opportunities.

Notes of Appreciation

As Chairman, I am deeply proud of our achievements during our inaugural year as a public entity. None of this success would have been possible without the unwavering and collective support of our shareholders, my fellow board members, the dedication of our employees, and the trust of our customers and partners. I would also like to specifically thank my fellow board members for their visionary leadership and invaluable guidance throughout this pivotal year.

On behalf of the Board, I would like to extend my heartfelt gratitude to everyone who has been an integral part of our journey. In particular, I want to acknowledge our outstanding management team and dedicated employees. Your exceptional dedication, tireless efforts, and invaluable contributions have been the driving force behind our accomplishments. We also deeply appreciate our loyal customers and supportive stakeholders for their continuous commitment and confidence in SINKUNG.

TAN SOO MOOI (MDM)
Independent Non-Executive Chairman

MANAGEMENT DISCUSSION & ANALYSIS

Dear Valued Shareholders,

On behalf of the Board of Directors of SINKUNG, I am pleased to present our inaugural Management Discussion and Analysis for the financial year ended 31 December 2024 ("FY2024"). This section outlines our financial and operational performance, strategic achievements, risk management framework, and future outlook for what has been a transformative year in SINKUNG's history.

Global Economic Overview

The global economy in 2024 is shaped by a complex interplay of recovery, transformation, and uncertainty. Following the turbulence of the early 2020s—marked by the COVID-19 pandemic, geopolitical tensions, and supply chain disruptions—the world has entered a phase of cautious optimism. Inflation, which peaked in 2022-2023, has begun to stabilise in many regions due to aggressive monetary policies and improved supply chain resilience. However, economic growth remains uneven, with advanced economies experiencing modest recovery while emerging markets face structural challenges. The International Monetary Fund (IMF), in its October 2024 World Economic Outlook report, projected global growth to come in at a 3.2% pace in 2024.

Several key trends are defining the global economic landscape. First, digital transformation continues to accelerate, with the widespread adoption of AI, automation, and blockchain technologies reshaping industries, including logistics. Second, sustainability has become a central focus, as climate change and ESG (Environmental, Social, and Governance) considerations drive regulatory changes and influence consumer preferences. Third, geopolitical shifts, such as the U.S.-China rivalry and the Russia-Ukraine conflict, have led to the regionalisation of trade and supply chains. Finally, the e-commerce boom, which surged during the pandemic, remains a dominant force, demanding faster and more efficient logistics solutions.

The Logistics Industry Landscape in 2024

The logistics sector in 2024 is experiencing a transformative phase, driven by technological advancements, sustainability initiatives, and shifts in global trade patterns. Integration of AI, IoT, and big data analytics are enhancing efficiency through smarter route optimisation, predictive maintenance, and real-time tracking, while autonomous vehicles and drones are revolutionising last-mile delivery. The surge in e-commerce continues to fuel demand for efficient warehousing, fulfillment centres, and faster, more reliable delivery solutions. Sustainability is also creating new growth avenues, with green logistics practices—such as electric vehicles, carbon-neutral shipping, and circular supply chains—gaining traction due to regulatory pressures and consumer demand. Additionally, the regionalisation of supply chains, as companies diversify beyond single-source dependencies, is boosting demand for new infrastructure and logistics networks, particularly in emerging markets. Cross-border trade remains a vital opportunity, especially in Asia, where companies that can navigate complex customs regulations and streamline operations stand to gain a competitive edge.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Despite its growth potential, the logistics industry faces significant hurdles. Labour shortages, particularly of skilled workers, persist, necessitating substantial investments in automation. Rising operational costs, driven by fluctuating fuel prices and the adoption of new technologies, strain profitability. Complex regulatory landscapes, including varied international and local standards for sustainability and data privacy, add layers of operational intricacy. Infrastructure gaps in emerging markets impede efficiency and scalability. Furthermore, the increasing digitisation of logistics operations elevates cybersecurity risks, requiring companies to implement robust security measures to protect against potential cyberattacks and ensure operational continuity.

The Malaysian Context

Domestically, the Malaysian economy grew by 5.1% in 2024 (2023: 3.6%) according to the report released by Bank Negara Malaysia (BNM) on 14 February 2025, due to continued expansion in domestic demand and a rebound in exports. Strong investment approvals and progress of multi-year projects by the private and public sectors, which includes catalytic initiatives under national master plans (i.e. New Industrial Master Plan, National Energy Transition Roadmap, and National Semiconductor Strategy) provided additional impetus to investment growth. The logistics industry is both a beneficiary and a driver of economic growth. The country's strategic location in Southeast Asia, coupled with its robust infrastructure and pro-business policies, positions it as a key logistics hub in the region.

The economic landscape of 2024 presents a mix of opportunities and challenges for the logistics industry, both globally and in Malaysia.

Malaysia's logistics sector is well-positioned to capitalise on several key opportunities. The government's push for Industry 4.0 adoption, including initiatives like the National Fourth Industrial Revolution (4IR) Policy, is accelerating the digitisation of logistics. Local companies are investing in smart warehouses, automated systems, and digital freight platforms to enhance efficiency and competitiveness.

The e-commerce boom is another significant driver of growth. Malaysia's e-commerce market is one of the fastest-growing in Southeast Asia, fueled by a young, tech-savvy population. This growth is creating demand for efficient last-mile delivery and fulfillment services, offering logistics companies the chance to expand their operations.

Regional trade integration also presents opportunities. Malaysia's participation in agreements such as the Regional Comprehensive Economic Partnership (RCEP) and the ASEAN Economic Community (AEC) enhances its role as a logistics gateway. These agreements facilitate smoother cross-border trade, benefiting logistics providers.

Sustainability initiatives are gaining traction as well. The government's commitment to achieving net-zero emissions by 2050 is encouraging logistics companies to adopt green practices, such as using electric vehicles and optimising routes to reduce carbon footprints.

The logistics industry in Malaysia, while brimming with opportunities, faces several challenges that must be addressed to sustain growth. Infrastructure development remains a priority, particularly in rural areas, where gaps in connectivity hinder efficiency and scalability. Talent shortages are another pressing issue, as the industry struggles with a lack of skilled logistics professionals, necessitating efforts to upskill the workforce and attract young talent. Regulatory hurdles further complicate operations, with complex customs processes and bureaucratic red tape posing challenges for cross-border trade. Additionally, Malaysia faces stiff competition from regional logistics hubs like Singapore and Thailand, requiring continuous innovation and investment in technology and infrastructure to maintain a competitive edge. Addressing these challenges is crucial for the industry to fully capitalise on its potential and drive economic

Company Overview and Competitive Positioning

SINKUNG, founded in 1994, has established itself as a leading integrated logistics service provider with decades of operational excellence specialising in trucking solutions with a primary focus on airport-to-airport road feeder services. With an extensive network spanning Peninsular Malaysia, Singapore, and Thailand, the Group plays a central role in facilitating efficient and reliable transportation solutions across the region. Over the years, SINKUNG has built a strong reputation for our commitment to excellence, ensuring seamless logistics operations for our diverse clientele.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

The Group's core business encompasses a wide range of logistics services tailored to meet the needs of airlines, freight forwarders, manufacturers, and online retailers. Beyond airport-to-airport road feeder services, SINKUNG provides end-to-end logistics solutions such as container haulage, warehousing and distribution, licensed brokerage and forwarding, express delivery, and cargo escort services—all designed to enhance supply chain efficiency.

To support our operations, the Group currently owns and operates a fleet of over 500 commercial vehicles. These vehicles are dedicated to various logistics activities, including trucking, container haulage, warehousing, and distribution, enabling the company to deliver reliable and flexible logistics solutions.

Complementing our transportation network, SINKUNG operates five strategically located warehouses across the central and northern regions, offering a total storage space of 172,548 square feet—comprising 97,242.7 square feet of bonded and 75,305.3 square feet of non-bonded areas. These facilities include climate-controlled environments and customs-licensed bonded spaces to support diverse storage needs. This infrastructure supports our growing warehousing and distribution business, which has seen increasing demand from multinational corporations and e-commerce platforms, further strengthening our capability to serve customers with comprehensive storage and distribution services.

Below is the breakdown of our 5 warehouses' bonded and non-bonded areas:

Warehouse	Location	Bonded Area (sq. ft.)	Non-bonded Area (sq. ft.)	Total bonded and non-bonded area (sq. ft)
Shah Alam Warehouse	Shah Alam, Selangor	17,856.4	31,468.1	49,324.5
Bukit Mertajam Warehouse	Kawasan Perusahaan Bukit Tengah, Bukit Mertajam, Penang	49,275.1	3,612.5	52,887.6
Butterworth Warehouse	Butterworth, Penang	6,000.0	-	6,000.0
Bukit Minyak Warehouse	Taman IKS Bukit Minyak, Bukit Mertajam, Penang	24,111.2	-	24,111.2
Port Klang Warehouse	Taman Perindustrian Pulau Indah Fasa 3A, Pelabuhan Klang, Selangor	-	40,224.7	40,224.7

The Group's competitive advantages are rooted in several key differentiators. Our extensive geographic coverage across major ASEAN trade routes provides customers with reliable connectivity, particularly for time-sensitive air cargo transfers. Our substantial ownership of over 500 diverse range of commercial vehicle fleet offers operational flexibility by allowing us to manage cargo efficiently and provide flexible logistics solutions tailored to customer needs. Our ability to offer comprehensive logistics services, from road transportation to warehousing and distribution, enables us to deliver seamless and efficient supply chain solutions.

The Group's in-house maintenance and repair capabilities ensure optimal utilisation of our commercial vehicle fleet, minimising downtime and enhancing service reliability. Our Authorised Economic Operator status granted by the Royal Malaysian Customs Department facilitates faster clearance times and supply chain efficiency.

SINKUNG's Good Distribution Practice for Medical Devices ("GDPMD") certification, awarded by TÜV SÜD Malaysia since 2019, affirms our compliance with stringent regulatory standards for the storage, handling, transportation, and documentation—including traceability—of single-use medical devices. It reflects our commitment to quality, safety, and regulatory excellence, and strengthens our credibility in handling sensitive and regulated cargo, particularly in the healthcare and pharmaceutical sectors.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

The recent acquisition of Prima Air Sdn Bhd for RM20.7 million represents a strategic leap forward, positioning us to launch air cargo services in the third quarter of 2025 and establish a truly multimodal logistics platform. The air freight cargo services will complement our existing airport-to-airport road feeder services. Furthermore, this acquisition enables us to expand our service offerings to include private jet charter and aircraft maintenance ("MRO") capabilities. Prima Air holds an Air Service Permit ("ASP") and Air Operator Certificate ("AOC"), enabling us to conduct non-scheduled commercial air transport operations. This strategic move enhances our service network, particularly in cross-border air logistics services, and strengthens our competitive position in the logistics industry.
Additionally, our experienced leadership team and strong industry track record position us for continued growth and operational excellence.

Key Developments and Operational Achievements

In 2024, a significant development for SINKUNG was our listing on the ACE Market of Bursa Malaysia Securities Berhad on 15 May 2024. This milestone has strengthened our financial position, allowing us to accelerate expansion initiatives and pursue strategic growth opportunities. We successfully raised RM26 million from the new public issue, with the additional capital raised enabling the Group to expand our warehousing capacity and enhance our trucking and container haulage fleets.

The completion of the Group's strategic acquisition of Prima Air, gives us access to air cargo operations, private charter service, aircraft maintenance, repair and overhaul capabilities, and other aviation solutions. These developments mark a significant step forward in our vision to provide end-to-end logistics solutions across multiple transportation modes.

Our physical infrastructure saw significant expansion with the commencement of construction on the Valdor Office and Warehouse complex in Penang. This built-to-suit facility, with approximately 164,000 square feet of space and capacity for 192,000 pallets, will address growing demand in northern Peninsular Malaysia when operational by 2026. Concurrently, we continued to modernise our fleet, adding 97 new vehicles in 2024. We maintain our commitment to environmental sustainability through the adoption of Euro 5-compliant engines and electric-operated warehouse equipment.

Digital Systems for Operational Excellence

Technological innovation remained a key focus area. SINKUNG strategically integrates technology across our operations to drive efficiency, elevate service quality, and support sustainable growth. In transportation, the adoption of Electronic Proof of Delivery (ePOD) system, in collaboration with a few of our customers—streamlines documentation by enabling real-time delivery confirmations through connected mobile devices.

Our Vehicle Tracking and Fleet Management System ("VTFMS"), fully integrated with GPS technology across our commercial fleet, enables real-time tracking of vehicle locations, optimises route planning, and enhances overall fleet visibility. The system provides critical insights into driving behaviour, including instances of speeding, unauthorised stops, and route deviations. These insights allow for prompt corrective actions, contributing to improved road safety and regulatory compliance. In addition, the system captures essential operational data such as fuel consumption and cargo temperature, enabling data-driven decisions to enhance fuel efficiency and maintain cargo integrity. Real-time GPS tracking, coupled with automated alerts, has significantly strengthened our response capabilities in the event of suspected theft or tampering. This has improved the security of our vehicle assets and safeguarded goods in transit.

On the other hand, our Haulage Management System automates key processes such as order management, route planning, driver assignment, and delivery tracking. Additionally, our internally developed Express Delivery Management System ensures seamless processing and provides track-and-trace capabilities for our customers to track their shipment status through our website. This end-to-end digital system improves our ability to manage express deliveries efficiently and maintain timely communication with customers.

To further strengthen operational efficiency and asset control, the Group has deployed additional digital solutions. Our Fixed Asset Management System plays a critical role in overseeing the full lifecycle of company-owned vehicles and trailers. It automates processes related to asset acquisition and depreciation management while maintaining comprehensive records, including insurance coverage, inspection schedules, permit renewals and etc.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

We have also implemented an Inventory Management System to monitor commercial vehicle spare parts stored at our Shah Alam office. This system ensures accurate inventory tracking, facilitates timely replenishment, and helps maintain operational readiness—minimising service downtime and supporting the reliability of our fleet operations.

Aligning with the government's initiatives to promote investment in smart warehouses and Industry 4.0 technologies to establish Malaysia as a high-tech logistics hub, the Group adopts a Warehouse Management System ("WMS") that enables multiple warehouse operations, real-time inventory control, barcode scanning, and the First-In-First-Out (FIFO) method for accurate stock rotation.

The WMS is integral to the centralised monitoring and control of goods movement and storage across all SINKUNG warehouses. It enables real-time tracking from receipt to storage and final delivery through the use of batch and lot numbers, supported by barcode scanning for greater speed and accuracy, and First-In-First-Out (FIFO) method to maintain proper inventory rotation. By streamlining handling operations, optimising space utilisation, and enhancing visibility and control, the WMS significantly improves overall operational efficiency and service delivery. To complement our WMS, our warehouses also incorporates with real-time temperature monitoring system features to meet specific customer requirements.

Beyond software, we invest in hardware infrastructure to strengthen operational performance and data security. This includes secure in-house data storage systems, featuring our own servers for the storage and management of all company and client information. Furthermore, we own industrial-grade sweepers and scrubbers to maintain cleanliness across warehouse facilities. We also invest in diagnostics systems and tools designed to diagnose various vehicle type for precise maintenance.

By prioritising automation and smart technology over manual processes, SINKUNG enhances service reliability, reduces operational downtime, and reaffirms its commitment to delivering efficient, high-quality logistics solutions.

During the year under review, SINKUNG applied for Good Distribution Practice (GDP) certification from SGS for warehousing, storage and distribution including transportation of pharmaceutical products, a globally recognised testing, inspection, and certification company. GDP is a set of guidelines and practices that ensure the quality, safety, and efficacy of pharmaceutical products throughout their distribution lifecycle. The certification was successfully obtained on 25 March 2025.

As the Group continues to expand and innovate, we remain focused on maintaining high service standards and optimising our logistics infrastructure. With a commitment to operational efficiency and customer satisfaction, SINKUNG is well-positioned to navigate the evolving logistics landscape and sustain our growth in the years ahead.

Business Environment and Market Dynamics

The logistics industry in 2024 was shaped by several macroeconomic and geopolitical developments. The United States ("U.S.") Presidential election and subsequent tariff policies influenced global trade flows, impacting shipping demand and costs. Trade regulations and the ongoing U.S.-China trade war continued to create uncertainties, prompting businesses to seek agile and flexible logistics solutions.

In 2024, global trade was marked by significant volatility, driven in part by disruptions to ocean shipping routes through the Red Sea. The resulting increase in freight costs and transit delays led many shippers to shift to air freight, especially for time-sensitive cargo.

Post-pandemic, the return of international tourism revived passenger flight operations, gradually easing air cargo rates—though they remain above pre-pandemic levels. While the increase in passenger flights added bellyhold cargo capacity, space remains limited due to strong e-commerce demand.

The structural shift in consumer behavior during the pandemic, particularly the accelerated adoption of e-commerce, has continued into the post-pandemic era. This persistent growth in online shopping has further driven up the demand for air cargo space, particularly in the bellyhold compartments of commercial flights. Meanwhile, dedicated air freighters, essential for bulkier shipments, continue to command higher rates. As shippers increasingly pivoted to air transport to mitigate delays and uncertainties in ocean freight due to the Red Sea disruption, air freight volumes surged, even as rates remained elevated.

These industry trends have played to SINKUNG's strengths. Our core business, which centres around airport-to-airport road feeder services, particularly those connected to passenger flight cargo, benefited directly from the sustained demand and constrained capacity in air freight logistics. With sea freight routes under pressure and air cargo continuing to play a vital role in global supply chains, our established network and expertise in this specific segment position us advantageously to capitalise on the current market dynamics to capture growth opportunities ensuring value creation for our stakeholders.

Domestically, the Malaysian logistics market experienced robust growth driven by expanding e-commerce penetration and regional trade flows. However, we also navigated regulatory changes including the proposed restrictions on heavy vehicle movements during peak hours, which required proactive adjustments to our delivery schedules and routing strategies.

Customer expectations continued to evolve. A key shift in customer demand was the increasing emphasis on delivery speed, cheaper cost and more flexible service options - trends that played to our strengths given our extensive network and diversified service capabilities. The Group responded by optimising our trucking operations and warehousing networks to ensure prompt deliveries. With our substantial fleet capacity and flexible logistics framework, SINKUNG is strategically positioned to address these evolving customer expectations despite ongoing trade disruptions and regulatory changes.

FINANCIAL PERFORMANCE

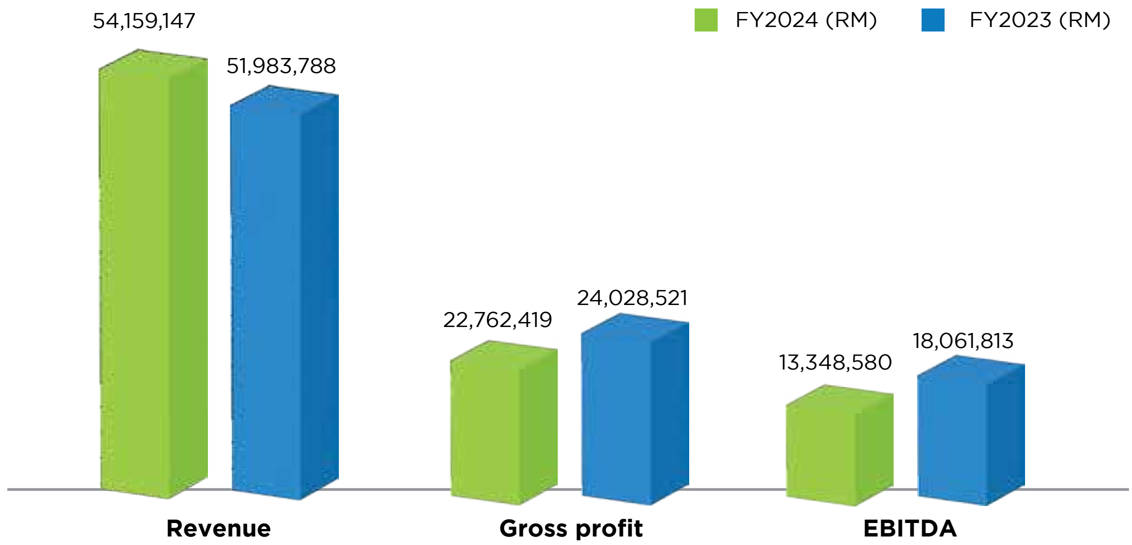
The Group delivered a commendable financial performance in our first year as a publicly listed company, demonstrating resilience despite the challenging operating environment. Revenue growth was primarily driven by increased demand for our core trucking services, particularly airport-to-airport road feeder services, as well as improved utilisation rates across our warehouse network. Our profitability metrics remained healthy, with careful cost management helping to offset inflationary pressures on fuel and maintenance expenses.

The successful completion of our Initial Public Offering in May 2024 raised RM26 million, which have been strategically deployed according to our prospectus commitments. Significant allocations included RM10.02 million for warehouse expansion projects, RM9.63 million for debt repayment to strengthen our balance sheet, and RM2.00 million for fleet modernisation. These investments have enhanced our operational capacity and positioned us for future growth opportunities.

Group Financial Review

	FY 2024	FY 2023	Changes
	RM	RM	%
Revenue	54,159,147	51,983,788	4.2
Gross profit	22,762,419	24,028,521	-5.3
EBITDA	13,348,580	18,061,813	-26.1
Profit before tax ("PBT")	3,521,628	9,681,248	-63.6
Profit after tax ("PAT")	(713,613)	6,407,073	-111.1
Cash and Cash Equivalents	21,904,324	10,148,700	115.8
Current assets	37,862,226	25,590,460	48.0
Current liabilities	17,057,408	12,434,270	37.2
Total assets	183,368,075	138,319,316	32.6
Total liabilities	99,057,472	78,051,012	26.9
Total equity	84,310,603	60,268,304	39.9
Total borrowings	69,156,831	54,848,519	26.1

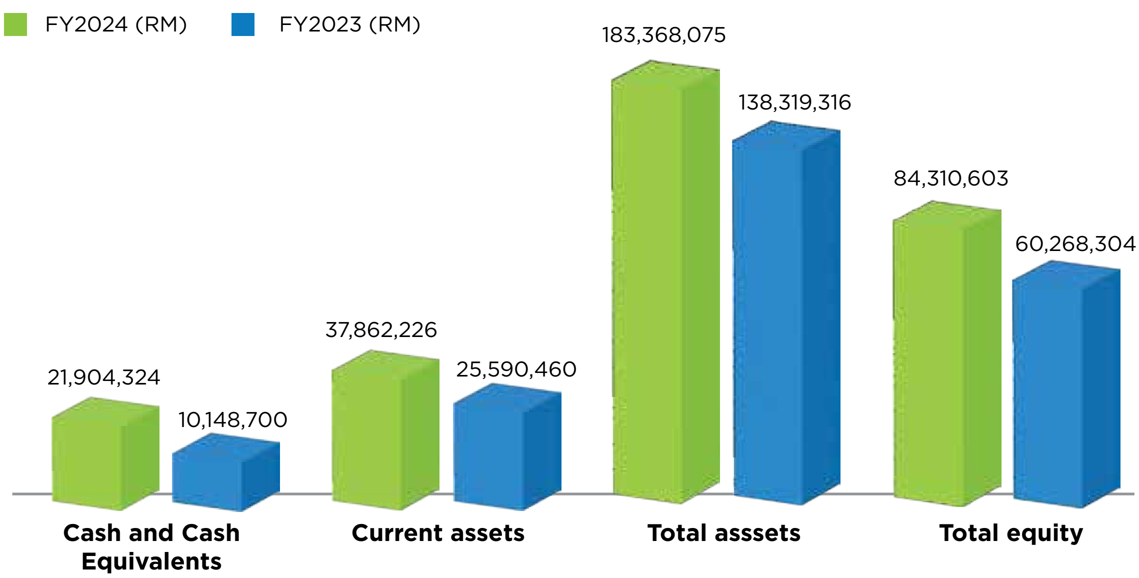
MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)



SINKUNG demonstrated resilient performance in FY2024, achieving revenue growth of 4.2% to RM54.16 million (FY2023: RM51.98 million) despite operating in a challenging economic environment. This growth was driven by our core logistics operations, with particularly strong contributions from trucking services, warehouse operations, and container haulage segments. While we faced margin pressures that resulted in a gross profit decline of 5.3% to RM22.76 million, we successfully maintained a respectable gross margin of 42%, reflecting our ability to manage costs in an inflationary environment.

Our financial position strengthened significantly during the year, with total assets growing by 32.6% to RM183.37 million and shareholders' equity increasing by 39.9% to RM84.31 million. This robust balance sheet growth was supported by a strategic capital raising exercise that enhanced our liquidity position, with cash and cash equivalents more than doubling to RM21.90 million (FY2023: RM10.15 million). The 115.8% increase in our cash reserves provides substantial financial flexibility to support future growth initiatives and weather potential market uncertainties.

While we recorded a net loss of RM0.71 million for the Group, it's important to note that our core company operations remained profitable with earnings of RM0.43 million. The Group's EBITDA of RM13.35 million, though 26.1% lower than the previous year, demonstrates the underlying strength of our operational model. Our current ratio improved to 2.22 times (FY2023: 2.06 times), reflecting healthy working capital management despite a 37.2% increase in current liabilities being more than offset by a 48.0% growth in current assets.



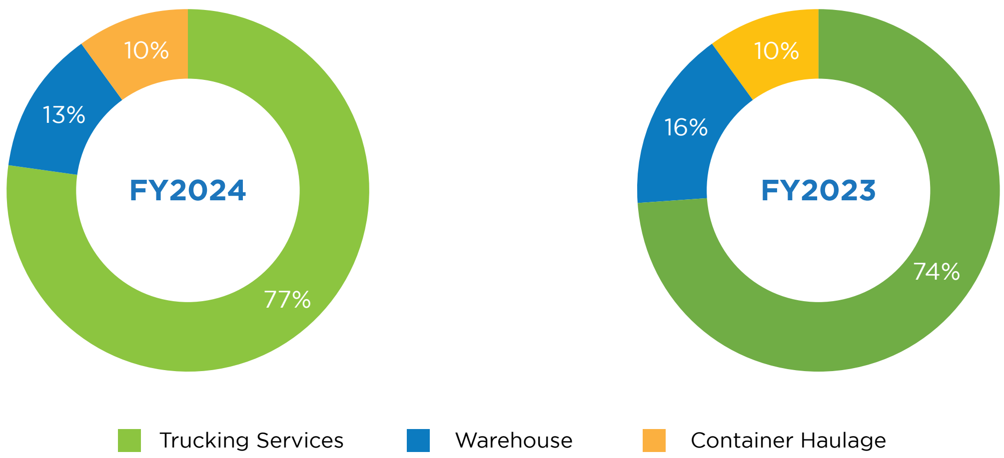
MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Looking ahead, we are well-positioned to capitalise on emerging opportunities in the logistics sector. The 26.2% reduction in short-term borrowings to RM3.78 million, combined with our strengthened equity base, provides a solid platform for sustainable growth. We remain committed to optimising our cost structure and improving operational efficiency to enhance profitability while continuing to deliver value to our customers and shareholders.

Segmental Performance

Revenue Breakdown by Income Segment

	FY2024	FY2023	Changes
	RM	RM	%
Trucking Services Income	40,631,559	37,575,001	8.1
Warehouse Income	6,891,100	8,178,048	-15.7
Container Haulage Income	5,390,165	4,939,719	9.1



The Group's principal activities—lorry transport services, truck hiring, container haulage, and warehousing/maintenance services—remained the cornerstone of our operations.

The trucking segment benefited from heightened demand for airport-to-airport road feeder services. The Group's acquisition of Prima Air has laid the foundation for further expansion into air freight, which will complement our existing airport to airport road feeder services.

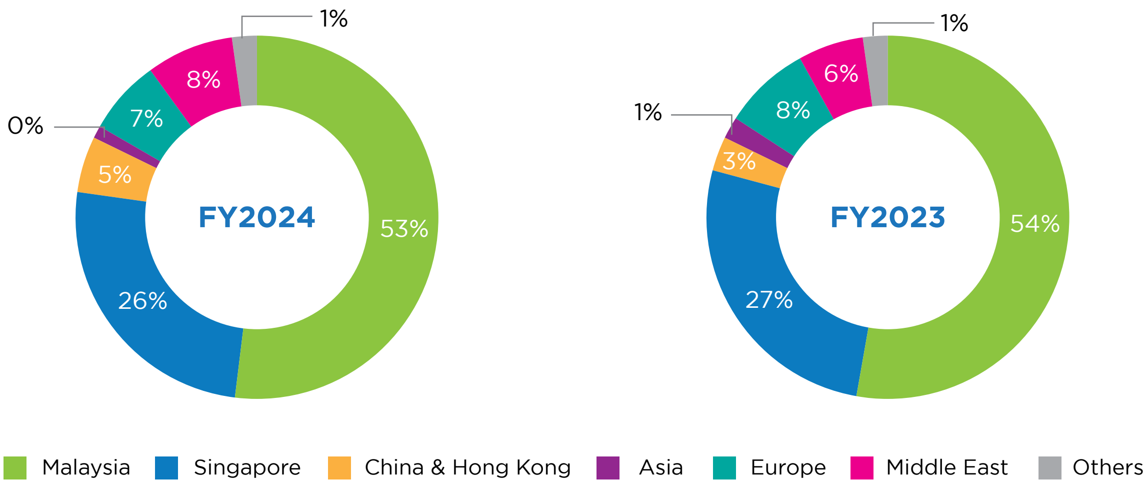
Trucking income grew by 8.1% to RM40.63 million, reflecting increased demand for airport-to-airport road feeder services. Warehouse income, though lower at RM6.89 million compared to RM8.18 million in 2023, continued to contribute steadily to revenue. The container haulage segment showed robust growth, with income rising by 9.1% to RM5.39 million, driven by expanded client engagements and operational efficiency.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Revenue Breakdown by Geographical Market

	FY2024	FY2023	Changes
	RM'000	RM'000	%
Malaysia	28,723	28,117	2.2
Singapore	14,017	14,173	-1.1
China and Hong Kong	2,814	1,457	93.1
Asia (Japan, Korea, Sri Lanka, Taiwan, Vietnam)	145	332	-56.3
Europe (Germany, Luxembourg, Netherlands, Russian, Switzerland)	4,043	4,160	-2.8
Middle East (Oman, Qatar, United Arab Emirates)	4,088	3,186	28.3
Others (Australia, Turkey, USA)	329	559	-41.1
Total	**54,159**	**51,984**	**4.2**

Note: Revenue by geographical market is based on the place of domicile of our customers.



Geographically, SINKUNG operates predominantly in Peninsular Malaysia, suggests a concentrated effort on domestic operations, which aligns with the Group's strategy to strengthen our local market presence.

In FY2024, the Group's revenue grew by 4.2%, largely driven by improved performance in several key markets, particularly Malaysia, China and Hong Kong, and the Middle East.

Malaysia remained the Group's largest market, contributing RM28.72 million in revenue, a modest increase of 2.2% compared to RM28.12 million in the previous financial year. Despite a slight dip of 1.1% in revenue from Singapore — from RM14.17 million in FY2023 to RM14.02 million in FY2024 — the country continued to serve as a strong regional contributor.

Notably, revenue from China and Hong Kong surged by 93.1% year-on-year, rising from RM1.46 million to RM2.81 million. This substantial growth signals a rebound in demand and successful market recovery strategies implemented in the region. The Middle East also showed robust performance, with revenue growing by 28.3% to RM4.09 million from RM3.19 million, reflecting growing opportunities and demand in Oman, Qatar, and the United Arab Emirates.

On the other hand, some markets experienced declines. Revenue from the Asia cluster — which includes Japan, Korea, Sri Lanka, Taiwan, and Vietnam — fell 56.3% to RM145,000. Europe also posted a slight decline of 2.8%, with revenue at RM4.04 million compared to RM4.16 million the year before. Meanwhile, revenue from Australia, Turkey, and the USA markets declined by 41.1% to RM329,000 from RM559,000.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Overall, the geographical revenue mix in FY2024 reflects the Group's continued strength in our home market, emerging opportunities in China, Hong Kong and the Middle East.

Operational Performance by Service Segment

	Unit	FY2024	FY2023	Changes %
Trucking services:				
• Airport-to-airport road feeder services:				
- Service A [(1)]	Chargeable weight ('000 kg)	30,713	25,723	19.4
- Service B [(2)]	Number of trips	-	1,312	-100.0
• Point-to-point trucking services	Number of trips	20,567	21,912	-6.1
Container haulage services	TEU	11,688	11,352	3.0
Warehousing and distribution services [(3)]	Annual available capacity (number of pallets)	190,260	133,140	42.9

Notes:

(1) *Airport-to-airport road feeder Service A comprises airport-to-airport road feeder, custom brokerage and escort services.*

(2) *Airport-to-airport road feeder Service B comprises solely airport-to-airport road feeder services and excludes custom brokerage and escort services.*

(3) *Consists of the total annual available capacity of our 5 warehouses.*

The Group's logistics services recorded mixed performance across its various business segments in FY2024. A key highlight was the strong growth in Airport-to-Airport Road Feeder Service A, which saw a 19.4% increase in chargeable weight handled, rising from 25,723,000 kg in FY2023 to 30,713,000 kg in FY2024. This service, which includes airport-to-airport road feeder, customs brokerage, and escort services, benefitted from increased demand. Service B, which comprises solely airport-to-airport road feeder services recorded no activity in FY2024 compared to 1,312 trips in FY2023. This was primarily due to a shift in customer preference towards Service A, which offers a more comprehensive and flexible solution.

The Point-to-Point Trucking Services segment experienced a modest decline of 6.1% in the number of trips, dropping from 21,912 in FY2023 to 20,567 in FY2024, mainly attributed to network rationalisation efforts and changing customer demand patterns.

Container Haulage Services registered a steady performance with a 3.0% increase in twenty-foot equivalent units (TEUs), growing from 11,352 in FY2023 to 11,688 in FY2024, reflecting the Group's continued resilience and competitiveness in this space.

A notable highlight for the year was in Warehousing and Distribution Services, which saw a substantial 42.9% increase in annual available pallet capacity. The total number of pallets available rose from 133,140 in FY2023 to 190,260 in FY2024, driven by the expansion and optimisation of the Group's five warehouses to meet growing demand for integrated logistics solutions.

Risk Management

The logistics industry is inherently exposed to various risks, including supply chain disruptions, regulatory changes, and geopolitical tensions. The Board maintains a robust risk governance framework to identify and mitigate potential threats to our business continuity and financial performance. In response to ongoing global supply chain volatility, we have diversified our supplier network and increased inventory levels for critical spare parts. Our customer concentration risk has been progressively reduced through targeted business development efforts, decreasing reliance on our top two clients to 26.7% of total revenue compared to 29.6% in the previous year.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Operational risks are managed through stringent maintenance protocols and continuous driver training programs, while financial risks including foreign exchange and interest rate exposure are actively monitored and hedged where appropriate. The successful repayment of a significant portion of our bank borrowings using IPO proceeds has further strengthened our financial resilience.

The Red Sea shipping crisis in 2024, which may persist into 2025, has caused significant disruptions in global trade, including increased freight costs and longer transit times. This has prompted a shift from sea to air freight, especially for time-sensitive cargo. While the post-pandemic recovery of passenger flights has added some air cargo capacity and the continued rise of e-commerce have kept air freight rates elevated and space limited. We are actively monitoring this situation and implementing strategic measures to mitigate its impact on our operations.

We are also proactively addressing the impact of evolving trade regulations and transportation policies that may affect our operations. In February 2025, the Malaysian Ministry of Transport (MOT) implemented a ban on the movement of heavy vehicles into major highways during peak hours in the Klang Valley. This measure, aimed at improving road safety and alleviating congestion, is part of a broader push to enhance the overall efficiency of the nation's transport infrastructure.

In parallel, the MOT is looking into proposing stricter enforcement of commercial vehicle weight limits to further support safety and sustainability goals. While these regulatory developments are expected to benefit the broader logistics ecosystem in the long term, they may require adjustments to our logistics planning, operational scheduling, and compliance frameworks. SINKUNG remains committed to aligning with national transportation objectives while maintaining service reliability and operational efficiency for our clients.

Commitment to Sustainability

Sustainability is at the heart of our business strategy as we strive to create long-term value for our stakeholders while safeguarding the environment and enriching the communities we serve. In FY2024, we continued to integrate sustainable practices across our operations, aligning our efforts with global sustainability standards and national policies. Our commitment extends beyond compliance, as we proactively seek innovative solutions to reduce our environmental footprint, promote social responsibility, and enhance governance practices.

Environmental stewardship remains a key priority, with ongoing initiatives to improve energy efficiency, minimise waste, and reduce carbon emissions. We have invested in cleaner technologies, enhanced resource efficiency, and strengthened our supply chain to ensure responsible sourcing and sustainable consumption. Our commitment to the circular economy has driven us to explore ways to reuse materials, and reduce overall consumption.

During the year under review, our environmental initiatives have yielded measurable results, including the recycling of 100% of used lubricant oil and the retreading of 232 vehicle tyres to extend their service life. Our commitment to reducing carbon emissions is further demonstrated by the transition to energy-efficient LED lighting across all our facilities and the adoption of electric-powered warehouse equipment. Additionally, our newly invested trucks and commercial vehicles are equipped with green engines that meet at least Euro-5 standards. The Group's approach prioritises leveraging technology—even when it entails higher costs—to drive sustainable progress. Moving forward, we will continue to refine our environmental strategies, setting clear targets and tracking our progress towards a lower-carbon future.

People are at the core of our sustainability journey, and we recognise our responsibility to foster a safe, inclusive, and empowering workplace. In FY2024, we reinforced our focus on employee well-being, enhanced our workplace safety programs, professional development, and diversity initiatives, ensuring that our workforce remains engaged and motivated.

We significantly enhanced our partnership with local communities, providing support for education, social welfare programs, and economic empowerment initiatives. Through a range of corporate social responsibility initiatives in the year under review, the Group invested a total of RM16,165.88 which included both financial donations and non-cash contributions.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Governance is the foundation of sustainable growth, and we remain steadfast in upholding the highest standards of corporate integrity and ethical conduct. Strengthening our governance framework has been instrumental in enhancing transparency, accountability, and risk management. Our sustainability commitments are embedded within our decision-making processes, with oversight from the Board and dedicated sustainability committees guiding our strategic direction.

During the year in review, governance standards have been elevated through the implementation of comprehensive anti-bribery and corruption policies, along with strengthened board oversight mechanisms. By adhering to responsible business practices, we reinforce stakeholder trust and position SINKUNG for sustainable success.

As we navigate an increasingly complex business landscape, we remain resolute in our commitment to sustainability. FY2024 has been a year of progress, and our sustainability journey is ongoing. We will continue to innovate, collaborate, and evolve our approach to sustainability, ensuring that we contribute positively to the environment, society, and economy. Our dedication to responsible business practices is unwavering, and we look forward to building a more sustainable future for all.

Growth Strategies & Future Outlook

The World Bank's latest Global Economic Prospects report in January 2025 forecasts a global economic growth of 2.7% in 2025 and 2026, while BNM projects the Malaysian economy to grow between 4.5% and 5.5% in 2025, driven by resilient domestic demand and ongoing investment activity.

Looking ahead to 2025 and beyond, the Group has established clear strategic priorities to drive sustainable growth and shareholder value. Our recent acquisition of Prima Air Sdn Bhd is central to our strategy to broaden our service offerings. By integrating air feeder services and our existing road feeder services, we aim to provide comprehensive, end-to-end supply chain solutions for our customers. We plan to commence our air cargo business - operating 3 aircrafts by Q4FY2025, marking a significant step in our evolution as a full-service logistics provider.

The launch of our air cargo operations represents a transformative opportunity to capture a larger share of the air freight market and establish strategic interline partnerships with major airlines. We anticipate that this new division will contribute significantly to revenue diversification and profitability over the short to medium term.

Geographic expansion remains a key focus, with plans to extend our service network into emerging ASEAN markets and the broader Asian region, while deepening our penetration in existing territories. The upcoming warehouse in Seberang Perai Selatan, Penang, with an estimated annual capacity of 192,000 pallets will significantly increase SINKUNG's total warehouse storage capacity to 250,812 pallets by Q42025, catering to the growing demand from multinational corporations. The Group also plans to expand its trucking and container haulage operations by acquiring additional commercial vehicles in 2025.

Technology investments will continue, particularly in warehouse automation and data analytics, to enhance productivity and service quality. Our commitment to sustainability will be further demonstrated through the eco-friendly design of our new Valdor facility and ongoing fleet modernisation programs.

Financially, we are targeting revenue growth that outpaces the broader logistics market, with particular emphasis on higher-value service offerings. The successful integration of Prima Air and the optimal utilisation of our expanded warehouse capacity are expected to be key contributors to achieving these objectives.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

CLOSING

As we reflect on our first year as a publicly listed company, the Board is confident that Sin-Kung Logistics Berhad is well-positioned for sustained growth in the dynamic logistics sector. Our successful IPO, strategic acquisitions, and operational investments have created a strong platform for future expansion. We remain committed to delivering value to all stakeholders through excellent service, prudent management, and responsible corporate citizenship.

In conclusion, I would like to express my sincere gratitude to our shareholders for their support, our employees for their dedication, and our customers for their continued trust in our services. I would also like to express my deepest appreciation to our bankers, suppliers and stakeholders for their continued support of the Group.

Together, we look forward to building on our achievements and writing the next chapter of success in our corporate journey.

Alan Ong Lay Wooi
Managing Director

SUSTAINABILITY STATEMENT

As an integrated logistics service provider, Sin-Kung Logistics Berhad ("SINKUNG" or "the Group") strives to balance our growth by creating sustainability value across international and local value chains. We collaborate with our customers and relevant government organisations to improve practices and develop solutions that contribute to managing common sustainability risks and opportunities. We foster the rights and the welfare of the communities where we operate and employees in the Group. The Group recognises that we must play a role in environmental protection to address and push forward to ensure that operational efficiency is achieved in an environmentally conscious manner.

SINKUNG's Board and management leadership ensure internal governance, providing our employees with direction and guidance to work with integrity and accountability.

ABOUT THIS REPORT

This is the Group's inaugural sustainability statement, following our successful IPO and listing on Bursa Malaysia's ACE Market on 15 May 2024. The Group has conducted a materiality assessment of its key sustainability risks and opportunities and has started implementing policies, management structures and measures to address them effectively.

Scope and Boundary

This statement covers the business operations and activities of the following SINKUNG logistic solutions subsidiaries that are under the Group's direct control. It does not include dormant companies or companies incorporated during the year under review.

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.

Reporting Period

This statement reports on the Group's sustainability-related risks, opportunities, data, and activities from 1 January 2024 to 31 December 2024 ("FY2024").

Reporting Cycle

Annually, in conjunction with our financial reporting period.

SUSTAINABILITY STATEMENTS FY2024 (CONT'D)

Reporting Guidelines

This FY2024 sustainability statement aligns with Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and the Malaysian Code on Corporate Governance 2021 ("MCCG"). 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.

Statement of Assurance

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").

Feedback and Inquiries

We welcome your feedback. Please write to us at sklkl@sinkung.com.my

OUR GUIDING PRINCIPLES

OUR VISION

Leading Total Logistics Solutions Provider
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

Effective and Customised Logistics Solutions
Provides 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 APPROACH TO SUSTAINABILITY

Sustainability Gorvernance → Sustainability Policies → Stakeholder Engagement → Material Matters → Risk Management → Target & Performance

SUSTAINABILITY STATEMENTS FY2024 (CONT'D)

ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS (UNSDGs)

SUSTAINABILITY MATERIAL MATTERS

MATERIAL MATTERS

ECONOMIC

- Company Performance
- Customer Satisfaction
- Technology and Innovation

SOCIAL

- Occupational Health and Safety
- Labour Relations and Human Rights
- Training and Employee Development
- Community Development

ENVIRONMENT

- Waste and Effluent Management
- GHG Emission and Energy Management

GOVERNANCE

- Business Ethics and Corporate Governance
- Data Privacy and Security
- Regulatory Compliance
- Third Party Compliance

SUSTAINABILITY GOVERNANCE

At SINKUNG, the Board together with management takes responsibility for the governance of sustainability in the company and takes into account sustainability considerations when exercising its duties, and the development and implementation of company strategies and major plans of action and risk management.

BOARD OF DIRECTORS ("BOD")

↓

BOARD SUSTAINABILITY COMMITTEE ("BSC")

↓

SUSTAINABILITY MANAGEMENT COMMITTEE ("SMC")
Managing Director I Executive Director I Risk Management Committee

↓

SUSTAINABILITY WORKING GROUP ("SWG")
Sustainability Officer ("SO") I Subsidiaries I Departments and Functions

SUSTAINABILITY STATEMENTS FY2024 (CONT'D)

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 Managing Director, assisted by the 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.

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.

MATERIALITY

Sustainability is strategically vital to the Group's business and stakeholders. We are committed to embedding sustainable practices for the future of the logistics sector and addressing current and emerging issues that align with those that matter to our Group and add value to our stakeholders.

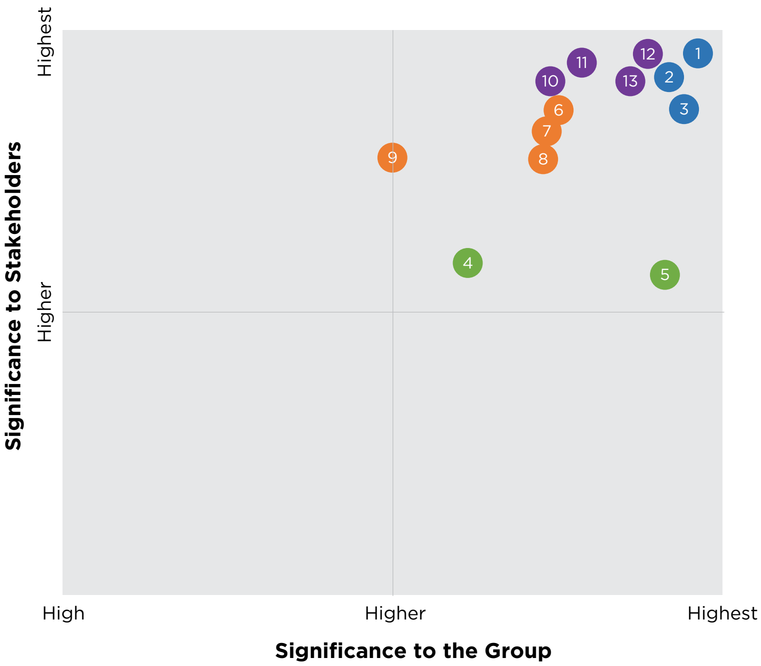
Materiality Assessment

We conducted our first materiality assessment in the year under review by identifying and prioritising the potential sustainability issues that could impact the Group and influence the stakeholders' decision. The process involved benchmarking with industry peers, considering the industry's development in sustainability and alignment with the relevant reporting frameworks.

The findings from the assessment process were plotted on a materiality matrix, deliberated, and validated by the SMC and subsequently were presented to the Board for approval.

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.



Economic
1: Company Performance
2: Customer Satisfaction
3: Technology and Innovation

Environment
4: Waste and Effluent Management
5: GHG Emission and Energy Management

Social
6: Occupational Health and Safety
7: Labour Relations and Human Rights
8: Training and Employee Development
9: Community Development

Governance
10: Business Ethics and Corporate Governance
11: Data Privacy and Security
12: Regulatory Compliance
13: Third Party Compliance

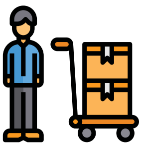
The top sustainability issues are Company Performance, Customer Satisfaction, Technology and Innovation, Regulatory Compliance, and Third-party Compliance. These matters are closely related to the core activities of our business and operations. Business Ethics, Data Privacy, and Occupational Health and Safety are mid-priorities; GHG emission and Energy Management are significant to the Group because, as a logistics company, we use extensive fuel to transport our customers' products and have to exert an effort to reduce energy consumption to combat climate change. Last in priority, based on the matrix, are Community Development and Waste and Effluent Management. Our operations do not produce physical products. Nevertheless, we have continued to extend efforts to address these matters.

SUSTAINABILITY STATEMENTS FY2024 (CONT'D)

STAKEHOLDER ENGAGEMENT

We prioritise stakeholder engagement to gain valuable insights and ensure our sustainability strategy aligns with their needs and expectations. By actively listening to internal and external stakeholders, we identify key concerns and opportunities to enhance our sustainability performance and drive long-term success.

The table below shows our stakeholders, their areas of concern, and the solutions we have undertaken to address them.

STAKEHOLDERS	AREAS OF CONCERNS	COMMUNICATION CHANNELS & RESPONSE
 **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 • Timely publication of information in websites and emails • Risk prioritisation • Good corporate governance and compliance structure • Analysts and Investors briefings
 **Customers**	• Safe and responsible handling of cargoes. • Efficient and timely delivery of cargoes	• Regular meetings • Customer / Client Feedback • Surveys and feedbacks
 **Employees**	• Labour conditions • Fair remuneration • Career Development • Communication • Safety and Health	• Employee engagement • Grievance channel • Enacted policies for employee protection e.g. diversity and workplace harassment policies • Employee training
 **Suppliers / Vendors**	• Ethical procurement practices • Mutual growth	• Clear policies and guidelines • Nurture partnership through open communication
 **Regulatory Authorities / Certification Bodies**	• Compliance and license to operate • Training and development	• Renewal of Permits and Licenses • Attend compliance and regulatory seminars and training • Regular internal and external audits
 **Communities / Media**	• Road Safety • Human Rights • Community welfare • Transparent communication	• Charitable donations • Driver training • Direct communication channel with media and communities • Local Sourcing and Hiring

SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES (SROs)

Sustainability issues are often systemic, complex and evolving. Therefore, the Group needs to identify, prioritise and manage the SROs that could likely affect our business, operations, and prospects. Presented in the table below are our material matters and corresponding risks and opportunities.

MATERIAL MATTERS	RISKS	OPPORTUNITIES
ECONOMIC		
Company Performance	Cost of compliance with ESG may impact profits.	ESG compliance is a strategic investment that, while potentially impacting short-term profits, unlocks significant long-term business opportunities and enhances overall company value.
Customer Satisfaction	Shift in customers' preferences towards lower emission services.	Capitalise on the growing demand for lower-emission services.
Technology & Innovation	Keeping up with rapid advancements in green technologies and integrating them into the Company's operations can be challenging and costly.	Leverage strategic investments in green technologies to attract ESG-conscious customers, outweighing initial costs with enhanced market appeal and alignment with evolving customer preferences.
ENVIRONMENT		
Waste &Effluent Management	Non-compliance with waste and effluent handling requirements can lead to penalties.	Heighten waste monitoring and enhanced awareness and training on waste handling can prevent incidents.
GHG Emissions & Energy Management	Implementation of stricter regulations and standards governing the release of greenhouse gas (GHG) emissions.	• Comply with stricter GHG regulations by transitioning to green engine commercial vehicles, yielding long-term fuel cost savings. • Leverage government incentives like cheaper road tax for EVs to reduce operational costs and enhance competitiveness.
SOCIAL		
Occupational Health & Safety	• Road safety risk. • Driver's health and work conditions investigations, which will lead to disruption/delays.	• Driver training and monitoring can reduce health and safety risks. • 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 to the national labour and working regulations.	Engagement with employees and suppliers regarding labour laws and human rights can reduce risks.
Training & Employee Development	Poaching of trained employees.	Implement a bonding scheme for employees trained in high-value competencies (e.g. aviation) to enhance retention and safeguard investments in their development.

SUSTAINABILITY STATEMENTS FY2024 (CONT'D)

MATERIAL MATTERS	RISKS	OPPORTUNITIES
Community Development	Growing awareness and pressure amongst the public on sustainability matters.	Focus on community engagement that relates to the Group's activities.
GOVERNANCE		
Business Ethics & Corporate Governance	Heightened expectations, transparent reporting and assurance can be costly.	• Meet heightened customer expectations and regulatory demands through transparent reporting and robust assurance, attracting businesses that prioritize 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 of the Group's IT systems and breaches of customer information.	• 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 risk arising from compliance breaches to the required regulations and policies.	Strong regulatory compliance enhances trust and credibility, positioning the company to attract and secure a larger customer base.
Third Party Compliance	Strict and more compliance requirements may hinder 3rd party certifications.	Meeting strict compliance requirements can enhance the company's reputation and credibility, providing access to and attracting higher-end customers who prioritise certified and reliable partners.

OUR POLICIES

The Group's sustainability and good corporate governance policies reflect our commitment to ethical business practices, environmental and social responsibility, and a diverse and inclusive workplace. Our policy applies and is communicated to all employees, including vendors, suppliers and community partners.

- Sustainability Policy
- Code of Conduct and Ethics
- Anti-Bribery and Corruption Policy
- Whistle Blowing Policy
- Diversity Policy

For detailed information about our policies, please visit: https://www.sinkung.my/CorporateGovernance.php

SUSTAINABILITY STATEMENTS FY2024 (CONT'D)

SUSTAINABILITY TARGETS AND PERFORMANCE

Sustainability targets and performance reporting provide a good picture of our operations' impact on the environment, society and the economy, including the value created or eroded. This is our first report, and we have yet to refine or set the targets to address the material issues of the group. In the subsequent financial year, we will strive to create achievable, measurable and meaningful targets that would bring value to our stakeholders and the Group.

ECONOMIC

98% procurement spend on LOCAL VENDORS

Achieve average **95%** CUSTOMER SATISFACTION score

ENVIRONMENT

RECYCLED **100%** of EFFLUENT (Lubricant Oil) used

43.9% of used TYRES were RETREADED and DIVERTED from disposal

SOCIAL

ZERO HUMAN RIGHTS violation

ZERO incidence of non-compliance with regards to LABOUR MATTERS

GOVERNANCE

ZERO incidence of BRIBERY and CORRUPTION

ZERO incidence of CUSTOMER DATA BREACHES

ZERO incidence of REGULATORY NON-COMPLIANCE

MANAGEMENT APPROACH TO SUSTAINABILITY MATERIAL MATTERS

FY2024 marks the beginning of SINKUNG's journey in sustainability data collection and disclosure, serving as the foundation for our sustainability reporting. This financial year establishes our baseline disclosures, offering stakeholders initial insights into our sustainability performance and practices.

As we move forward, we are committed to improving our data collection methods to enhance accuracy and comprehensiveness. In the coming years, we aim to provide more robust data and precise disclosures, enabling stakeholders to track our sustainability progress more effectively and measure the positive impact of our initiatives over time.

ECONOMIC SUSTAINABILITY

The logistics industry serves as a critical enabler of global trade, economic growth, and sustainable development. SINKUNG operates at the heart of economic progress, recognising that efficient and reliable logistics forms the very foundation of thriving economies. Our core function of seamlessly moving and storing goods - from raw materials to finished products, empowers businesses to expand their reach, optimise their operations, and drive overall economic growth. By facilitating trade and ensuring the timely flow of goods, we contribute directly to job creation, enhanced productivity, and the expansion of markets, acting as a vital catalyst for economic prosperity in the regions we serve.

Aligned with UNSDG 8, the Group supports job creation and fair employment practices while fostering economic resilience. In line with UNSDG 9, we aim to integrate technology-driven logistics solutions to enhance operational efficiency and support industrial progress. Furthermore, by committing to UNSDG 12, the Group advocates for responsible resource management within its supply chain.

SDG 8: Supports job creation and fair employment practices.
SDG 9: Aim to integrate technology-driven logistics solutions.
SDG 12: Advocate responsible resource consumption.

SUSTAINABILITY STATEMENTS FY2024 (CONT'D)

COMPANY PERFORMANCE AND DIRECT ECONOMIC IMPACTS

SINKUNG's contribution to economic impact is multifaceted, extending both directly through our operational activities and indirectly through our wider ecosystem. The Group drives economic growth through salaries, revenues, profits, shareholder dividends, and tax contributions, ensuring workforce stability and fostering investor confidence. Beyond direct financial impact, we contribute to the development of employee skills, expand partnerships with suppliers, and enhance the competitiveness of Malaysia's logistics sector.

The logistics industry plays a crucial role in supporting local communities by creating employment opportunities and generating wages. These earnings are reinvested into local businesses, stimulating economic circulation and growth. Additionally, business owners and investors benefit from profits and dividends, which can be reinvested into the industry or spent on other local enterprises, further driving economic activity.

Economic Performance

Economic Indicators	FY2024 (RM'000)
Economic value generated (e.g., revenue, other income, etc.)	
Revenue	54,159
Economic value distributed:	
Expenses (e.g., operating expenses and/or administrative expenses)	46,946
Finance costs	4,330
Payment to government (e.g., tax)	4,235
Investment in Assets, Equipment and Machineries	11,248
Total number of Commercial Vehicles owned	555
Total warehouse capacity available (pallet space)	190,260
Total landbank (sq. ft.)	702,549
Number of Employees	257

In FY2024, SINKUNG delivered strong financial results, generating RM54.16 million in economic value, primarily driven by revenue growth. We distributed this value across key areas, including RM46.95 million in operational and administrative expenses, RM4.33 million in finance costs, and RM4.24 million in income tax contributions—fulfilling our fiscal responsibilities and supporting national economic development.

To strengthen our operational capacity and long-term competitiveness, we invested RM11.25 million in assets, equipment, and machinery. Our infrastructure includes 555 commercial vehicles, ensuring efficient logistics, and 190,260 pallet spaces of warehouse capacity, enhancing storage and distribution capabilities. Additionally, our 702,549 sq. ft. landbank serves as a potential asset, contributing to future growth and expansion.

Supporting our growth is our dedicated workforce of 257 employees, whose expertise and commitment remain central to our success. Complementing this is a pool of 26 freelance licensed drivers who provide additional flexibility to meet fluctuating operational demands. Through stable employment, strategic investments, and responsible fiscal contributions, we continue to drive sustainable value for our stakeholders and the broader economy.

	PROPORTION OF SPENDING ON LOCAL SUPPLIERS		PROPORTION OF SPENDING ON COMMUNITY AND SOCIETY	
Period	**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**
FY2024	4,807,822.92	98%	16,165.88	6

In FY2024, we allocated RM4.8 million to local suppliers, representing 98% of our total supplier spending, reinforcing our commitment to strengthening regional economies and empowering local businesses. Additionally, we invested RM16,165.88 in community-focused initiatives, directly benefiting 6 individuals or groups, as part of our efforts to address specific community needs and drive sustainable development. These actions reflect our dedication to creating shared value, balancing economic impact with social responsibility.

Sustainable Supply Chain Management

Sustainable and reliable supply chain management is integral to SINKUNG's operations. Guided by sustainability principles, our procurement strategy promotes responsible practices and fosters long-term partnerships across our value chain. As the primary consumption of our business centres on spare parts and lubricant oil for our vehicles and machinery, we prioritise sourcing these items from local suppliers whenever possible. This approach supports regional economic development while enhancing supply chain efficiency. However, when local options are unavailable, we remain open to sourcing from reputable external suppliers to ensure operational continuity. This balanced and pragmatic strategy reflects SINKUNG's commitment to sustainable progress and to contributing meaningfully to the communities in which we operate.

DELIVERING CUSTOMER SATISFACTION THROUGH THE 3-Es

Achieves 95% customer satisfaction in FY2024

At SINKUNG, customer satisfaction is at the heart of everything we do. We are guided by a clear mission to deliver exceptional value, foster trust, and build lasting relationships with our customers.

In the year under review, the Group reaffirmed our unwavering commitment to customer satisfaction by adhering to our **3-Es Principle: Efficient, Effective, and Expert services.** This dedication was reflected in the Group's outstanding achievement of a 95% customer satisfaction score, based on feedback from surveyed customers.

Efficiency remained at the core of SINKUNG's operations, with the Group consistently delivering services on time. Whether it was meeting tight deadlines, managing last-minute ad-hoc deliveries or ensuring seamless logistics, customers could rely on SINKUNG to keep their supply chains running smoothly.

Our focus on being *Effective* meant proactively anticipating and meeting our customers' evolving needs. Through regular communication and a deep understanding of their businesses, we were able to offer tailored solutions.

Finally, SINKUNG's *Expertise* shone through our highly experienced personnel, who handled all cargoes with the utmost care and precision. From specialised handling to strict compliance with safety standards, the Group's team of professionals ensured that every shipment was expertly, safely, and securely managed.

Together, these principles not only strengthened customer trust but also solidified SINKUNG's reputation as a leader in delivering exceptional service. The 95% satisfaction score is a testament to the Group's relentless pursuit of excellence and our dedication to building lasting partnerships with our customers.

TECHNOLOGY AND INNOVATION

Technology and innovation continue to transform the logistics industry, driving efficiency while enhancing sustainability.

At SINKUNG, we are committed to adopting smart solutions that streamline operations, optimise resource use, and reduce environmental impact. Our approach prioritises the use of advanced digital and hardware technologies across all levels of our operations, with the aim of reducing manual labour dependency and driving consistent, high-quality service delivery.

SUSTAINABILITY STATEMENTS FY2024 (CONT'D)

One key initiative is the adoption of Electronic Proof of Delivery (ePOD), in collaboration with a few of our customers, which replaces traditional paper-based processes with a more efficient, eco-friendly alternative. By equipping our drivers with smartphones and enabling data connectivity through designated customer apps, we facilitate real-time recipient confirmations. This not only ensures faster processing and greater accuracy in delivery records but also significantly reduces paper waste, aligning with our broader sustainability goals.

In addition to ePOD, SINKUNG has adopted a range of integrated digital systems designed to optimise every stage of our logistics operations. Our Vehicle Tracking and Fleet Management System is synchronised with GPS devices installed in our commercial vehicles, allowing us to track and trace real-time vehicle locations. The system also monitors driving behaviour—such as speeding and unauthorised stops—and provides instant alerts for route deviations, while capturing data on fuel consumption and cargo temperature. This enables us to enhance road safety, optimise fuel use, and evaluate driver performance more effectively.

The Fixed Asset Management System efficiently manages the full lifecycle of company vehicles and trailers, automating processes like asset creation, depreciation and disposal with gain/loss calculations. It ensures compliance by tracking service records, insurance, inspections (e.g., Puspakom), and licensing while storing vehicle-specific details like registration and chassis numbers. The system reduces manual work and provides real-time reporting (e.g., Fixed Asset Register) for audits and financial oversight—streamlining asset management from acquisition to disposal.

To manage our haulage activities, we use a Haulage Management System that automates key processes including order receipt, route planning, driver assignment, and delivery tracking. It also supports invoicing and incentive calculations for drivers, while integrating haulage data for performance analysis. This not only improves efficiency but also helps us maintain high standards of service delivery for our clients.

Our Warehouse Management System (WMS) is integral to the centralised monitoring and control of goods movement and storage across all SINKUNG warehouses. It enables real-time tracking from receipt to storage and final delivery through the use of batch and lot numbers, supported by barcode scanning for greater accuracy and speed. The system facilitates efficient management across multiple warehouse locations, incorporates a real time temperature monitoring feature and supports the First-In-First-Out (FIFO) method to maintain proper inventory rotation. By streamlining handling operations, optimising space utilisation, and enhancing visibility and control, the WMS significantly improves overall operational efficiency.

To further bolster service delivery, our Express Delivery Management System, which is internally developed, automates key tasks such as order processing, shipment quotation, air waybill printing, and delivery status tracking. This end-to-end digital system improves our ability to manage express deliveries efficiently and maintain timely communication with customers.

In addition, we have implemented an Inventory Management System dedicated to monitoring commercial vehicle spare parts stored at our Shah Alam Office. This system ensures accurate inventory tracking and facilitates timely replenishment, helping us maintain readiness and minimise service downtime.

Beyond software, SINKUNG invests significantly in operational hardware to reinforce our technology-first approach. This includes the use of industrial sweepers and scrubbers at all warehouse facilities, maintaining cleanliness and hygiene with minimal manual intervention. We also operate In-house Data Storage Systems with dedicated servers, ensuring that all company and client data, including management of system backups, are securely stored on owned infrastructure—enhancing data security and operational continuity.

In our workshops, we utilise Vehicle Diagnostic Systems to support the maintenance of our commercial vehicle fleet. With a range of diagnostic systems and tools designed for different vehicle types, our technicians are equipped to detect and address mechanical issues swiftly and accurately. These investments in both hardware and software underscore our commitment to reducing reliance on manual labour, improving service reliability, and maintaining operational excellence.

Through the adoption of innovative technologies and digital infrastructure, SINKUNG strengthens operational transparency, reduces errors, prevents asset loss, and minimises resource wastage. Our forward-looking strategy ensures that we continue to evolve with industry demands while building a more secure, sustainable, and efficient logistics ecosystem for the future.

ENVIRONMENTAL SUSTAINABILITY

SINKUNG recognises the importance of environmental protection and its role in addressing the impacts of our operational activities. The Group is committed to meeting statutory and regulatory standards, as well as stakeholder expectations, by ensuring operational efficiency in an environmentally conscious manner. This commitment includes complying with all applicable environmental laws and regulations, eliminating the use of virgin materials, reducing waste generation, and practicing the 4Rs (Reduce, Reuse, Recycle, and Recover).

The Group also focuses on the efficient consumption of raw materials and energy sources, reducing greenhouse gas emissions, and combating climate change through the use of renewable energy sources and energy-efficient equipment. Minimising air pollution by adhering to vehicle pollutant emission regulations is another key aspect of our environmental efforts. These practices align with UNSDG 13 (Climate Action) and UNSDG 15 (Life on Land), demonstrating a commitment to combating climate change and promoting sustainable use of ecosystems.

Furthermore, the Group prioritises the health and safety of our stakeholders and employees, aligning with UNSDG 3 (Good Health and Well-being). SINKUNG fosters a culture that values well-being and implements safety procedures to mitigate risks. We also focus on instilling environmental values through education, awareness, and training, and establishes environmental targets for our operations.

Our efforts are guided by our comprehensive Sustainability Policy, which establishes procedures for protecting the environment and minimising the impacts arising from our operations.

3 GOOD HEALTH AND WELL-BEING

13 CLIMATE ACTION

15 LIFE ON LAND

SDG 3: To ensure healthy lives and promote proper well-being.

SDG 13: Minimise air pollution by adhering to vehicle pollutant emission regulations.

SDG 15: Promote sustainable consumption of raw materials and energy sources.

WASTE AND EFFLUENT MANAGEMENT

Conserving natural resources is one of our main strategies for managing the environmental impacts of our activities. At SINKUNG, we are committed to minimising waste and effluent generation to maximising the efficient use of resources. We strive to implement practices that reduce our consumption of raw materials, promote recycling and reuse, and prevent pollution.

We implement the 4Rs of waste management—reduce, reuse, recycle and recover, beginning with proper waste segregation.

Tyre Life Cycle

Tyre life cycle plays a significant role in both environmental sustainability and cost efficiency. It encompasses the use, maintenance, reconditioning, and final disposal of tyres. By extending the life of tyres through retreading and responsible disposal, SINKUNG reduces environmental impact, minimise resource consumption, and optimise operational costs.

In FY2024, the Group generated a total of 529 used tyres. Of these, 232 tyres were successfully retreaded and diverted from disposal, reflecting our commitment to tyre life extension and circular economy practices. The remaining 297 tyres were directed to disposal, in accordance with regulatory and environmental compliance standards.

The retreading initiative not only reduced waste but also contributed to cost savings by extending tyre usability.

SUSTAINABILITY STATEMENTS FY2024 (CONT'D)

Period	Number of Tyre waste generated	Number of Tyres Retreaded and Diverted from Disposal	Total Number of Tyres directed to disposal
FY2024	529	232	297

Effluents

Effective management of effluent discharge is a critical component of our environmental stewardship. To ensure the quality of water discharged into public drains meets national regulatory standards, we recycle 100% of the used lubricant oil from our fleet of commercial vehicles. Additionally, our warehouse machinery operates on electric engines, eliminating the need for lubricant oil and further reducing environmental impact.

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
FY2024	0	0	0	0

Water Management

Excessive water use can pose significant risks to vital water resources that could potentially lead to wastewater contamination and diminished water quality, which can harm ecosystems and local communities alike. Therefore, we are committed to closely monitoring and minimising our water consumption to address these challenges.

WATER WITHDRAWAL DATA / TOTAL VOLUME OF WATER USED (Megalitres)							
Period	Surface Water	Groundwater	Quarry Water	Municipal Potable Water	Harvested Rainwater	Total	Water Recycled
FY2024	0	**0**	0	32.052	0	32.052	0

GHG EMISSIONS AND ENERGY MANAGEMENT

We are dedicated to minimising our carbon footprint and advancing the transition to a low-carbon economy through sustainable practices. Recognising the impact of energy consumption on climate change, we continuously integrate sustainability into our operations.

To reduce electricity consumption, our warehouses in Shah Alam and Bukit Mertajam are designed to maximise natural light, reducing reliance on artificial lighting. Additionally, we have implemented energy-efficient solutions, including the use of low-energy light bulbs and tubes, to further enhance energy savings. These initiatives reflect our commitment to responsible energy management and environmental stewardship.

SUSTAINABILITY STATEMENTS FY2024 (CONT'D)

TOTAL ENERGY CONSUMPTION									
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		
FY2024	5,804.69	89,237.04	0	0	0	0	0	95,041.73	0%

Emission Performance (tCO2e)	
PERIOD	**FY2024**
SCOPE 1	1,833.81
SCOPE 2*	482.14
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	

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

SOCIAL SUSTAINABILITY

At SINKUNG, we are deeply committed to social sustainability, prioritising human rights and equitable practices in alignment with the UNSDGs. Our commitment is rooted in the UN Guiding Principles on Business and Human Rights, and we uphold a zero-tolerance stance against human rights violations, including modern slavery, forced labor, and human trafficking (UNSDG 8). We ensure fair labour practices and provide decent working conditions, while also promoting diversity and inclusivity, respecting all employees regardless of background (UNSDG 10). The Group actively works to prevent discrimination, bullying, and harassment, striving to cultivate a workplace where every individual feels valued and motivated (UNSDG 5).

Our social responsibility extends beyond our direct operations to our supply chain and the communities we serve (UNSDG 1). We prioritise local sourcing and hiring, foster strong community relationships through open communication, and encourage our employees to engage in local events and volunteer activities. SINKUNG is dedicated to providing fair remuneration, opportunities for career development, and safe, sanitary, and healthy living environments for our employees. Through these focused efforts, we aim to generate lasting value for our stakeholders and contribute to the prosperity and well-being of communities, all while ensuring our sustainable growth and development.

1 NO POVERTY
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

SDG 1: Reduction in poverty among communities where we operate.
SDG 5: Promoting gender equality and empowering all girls and women.
SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
SDG 10: Ensure fair labour practices and provide decent working conditions.

SUSTAINABILITY STATEMENTS FY2024 (CONT'D)

OCCUPATIONAL HEALTH AND SAFETY ("OSH")

The health and safety of our workforce are our fundamental responsibilities. We are unwavering in our dedication to preventing workplace injuries and illnesses, ensuring the well-being of our employees remains our highest priority. Prioritising health and safety not only protects our team but also drives efficiency and productivity throughout the organisation. By nurturing a culture of care and protection, we enable our employees to excel, ultimately contributing to the long-term growth and success of SINKUNG.

Mitigating health and safety (H&S) risks for our stakeholders and employees, both on and off the job, is paramount. We actively promote a culture that values the health and well-being of our people, integrating it with company-wide H&S procedures. These procedures empower our organisation to identify and mitigate risks, thereby improving safety performance. We strictly adhere to the Occupational Safety and Health Act 1994 and all other relevant statutory and regulatory H&S rules.

Our commitment to health and safety is demonstrated through the following actions:

- **Compliance:** We comply with all H&S regulations.
- **Safe Working Conditions:** We provide safe and healthy working conditions in the workplace to prevent work-related injuries and illnesses.
- **Risk Assessment and Incident Investigation:** We conduct operational H&S risk assessments to prevent incidents and carry out thorough investigations when incidents occur.
- **Education and Awareness:** We cultivate H&S values through education, awareness campaigns, training, and clear communication.
- **Personal Protective Equipment (PPE):** We equip our workforce with appropriate PPE relevant to their roles and functions.
- **Community Impact:** We make considerable efforts to avoid or reduce the likelihood of adverse H&S impacts on our stakeholders and surrounding communities.
- **Performance Monitoring:** We set H&S targets and continuously monitor our performance and progress.

Chemical Spillage Control

One of the key aspects of our OSH initiatives is the proper management and control of chemical spillages.

Chemical spills can pose serious risks, including health hazards, environmental contamination, and workplace disruptions. To mitigate these risks, SINKUNG has implemented a comprehensive Chemical Spillage Control Procedure. This protocol includes the identification of potential spill hazards, immediate containment measures, and proper disposal practices to minimise impact. Employees are trained to handle spills safely, utilising appropriate protective equipment and adhering to emergency response guidelines.

Regular safety drills and awareness programs reinforce our commitment to proactive spill management. By continuously improving our safety standards, SINKUNG ensures compliance with occupational health regulations while fostering a culture of responsibility and vigilance.

HEALTH AND SAFETY PERFORMANCE	FY2024
Number of work-related fatalities	0
Number of lost time injuries	2
Lost time incident rate (LTIR)	0.67

Our top priority is to ensure that every employee returns home safely and injury-free at the end of each workday. In FY2024, we recorded zero work-related fatalities and achieved a Lost Time Incident Rate (LTIR) of 0.67, with two reported lost time injuries. While we are encouraged by this outcome, we continue to strengthen our safety practices and cultivate a proactive safety culture. We remain dedicated to prioritising employee well-being and fostering a conducive, secure work environment where everyone can perform with confidence and peace of mind.

Enhancing Road Safety: SINKUNG's Driver Training Program

Road safety is a critical aspect of our OSH commitments. Our comprehensive Driver Training Program ensures that all drivers are well-equipped with the knowledge and skills needed to operate vehicles safely while adhering to industry best practices and regulatory requirements.

The program covers essential areas such as pre-departure vehicle inspections, adherence to speed limits and traffic regulations, and proper cargo handling procedures. Drivers are also trained to manage emergencies, including vehicle breakdowns, accidents, and hazardous conditions such as extreme weather or road diversions. Additionally, strict guidelines on driver behaviour and attire are enforced to maintain professionalism and safety at all times.

To reinforce these safety measures, regular refresher courses and audits are conducted to ensure compliance and continuous improvement. By prioritising safe driving practices, SINKUNG aims to reduce risks, safeguard employees, and contribute to a safer transportation ecosystem. Our commitment to driver safety reflects our dedication to upholding high occupational health and safety standards within our operations.

Health & Safety Training

To ensure a safe and compliant work environment, SINKUNG provides specialised training sessions conducted by external experts for our warehouse employees and drivers. These initiatives include opportunities for personnel to obtain certifications through selected off-site training programs, ensuring they are equipped with the necessary knowledge and skills.

FY2024 HEALTH & SAFETY TRAINING		
Training Topics	**No. of Hours**	**No. of Attendees**
Forklift Operators & Safety Training	16	12
Understanding of OSHA Amendment Act 2022	8	2
Essential Life Saving Skill & First Aids Training	8	2
Seminar Organisasi Keselamatan Kebakaran (OKK)	8	3
Fire Safety Briefing	1	21
Fire Drill Training (at Shah Alam Office and Warehouse including Shah Alam Workshop)	1	77
Fire Drill Training (at Port Klang Office and Warehouse)	1	7
Fire Drill Training (at Bukit Mertajam Office and Warehouse)	1	25
Total	**44**	**149**

LABOUR RELATIONS AND HUMAN RIGHTS

We are committed to upholding human rights and ethical labour practices in line with the UN Guiding Principles on Business and Human Rights. We enforce a zero-tolerance policy against human rights violations and expect all stakeholders, including employees, suppliers, and business partners, to comply. To prevent modern slavery, forced labor, and human trafficking, we implement ethical recruitment practices, fair contractual agreements, and regular audits to identify risks within our supply chain.

SUSTAINABILITY STATEMENTS FY2024 (CONT'D)

We strictly prohibit all forms of abuse, harassment, and excessive working hours while ensuring that employees are not forced to work against their will. Through these measures, SINKUNG reinforces our commitment to fostering a responsible and ethical workplace built on fairness, dignity, and respect for human rights.

Labour Standards

Our Group abides by all applicable labour laws and regulations. This allows the Group and our suppliers to consciously apply social justice and provide decent work while attaining mutual economic growth.

- **Child Labour:** We adhere to Malaysia's Children and Young Persons (Employment) Act 1966. We do not tolerate any form of child labour practices in our supply chain and our business operations.
- **Freedom of Association & Collective Bargaining:** We subscribe to the established Malaysian labour laws, which champion employees' rights to freedom of association and collective bargaining.
- **Disciplinary & Grievance Practices:** We treat all employees with dignity and respect. We do not tolerate any acts of corporal punishment, mental or physical coercion or verbal abuse towards employees.
- **Working Hours:** We follow the government's prescribed national laws and regulations on the minimum number of working hours (including overtime and rest periods) and holiday entitlements.
- **Remuneration and benefits:** All work-related remuneration and benefits are based on statutory and regulatory compliance, merit and performance.

There were zero incidents or complaints concerning human rights violations in the year under review.

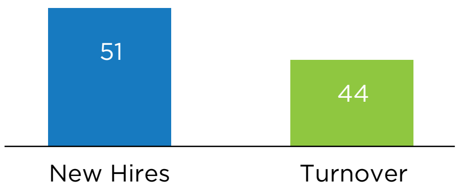
Diversity and Inclusivity

SINKUNG is committed to fostering a workplace where diversity and inclusivity are core principles. We recognise that our employees are vital to our success and sustainability efforts, and we strive to create an environment where everyone feels valued and motivated. To ensure fairness and equality, we adhere to clear guidelines that promote respect for all employees. We condemn all forms of discrimination, bullying, and harassment, and maintain an unbiased system for recruitment, selection, training, and promotion. Furthermore, we are dedicated to providing fair and equal remuneration and opportunities for career development, talent management and mentoring.

The charts below provide an overview of our workforce dynamics, highlighting the total number of new hires, employee turnover, and turnover rate in FY2024.

	FY2024
Total number of new hires	127
Total number of employee turnover	110

Rates of New Hires and Turnover (%)



EMPLOYEE TURNOVER BY CATEGORY	FY2024	
	Number	**%**
Senior Management	0	0
Middle Management	6	6
Executive	7	6
Drivers	45	41
Technical / Others	52	47

SUSTAINABILITY STATEMENTS FY2024 (CONT'D)

WORKFORCE DIVERSITY	FY2024	
	Number	***%***
BY EMPLOYMENT TYPE		
Permanent	133	52
Contractual	124	48
BY GENDER		
Male	187	73
Female	70	27
BY AGE GROUP		
30 and below	91	35
31 - 50	117	46
51 and above	49	19
BY ETHNICITY		
Malay	167	65
Chinese	46	18
Indian	37	15
Other Ethnic Minorities	6	2
Non-Malaysian	1	0
Total	**257**	**100**

BOARD DIVERSITY	FY2024	
	Number	***%***
BY GENDER		
Male	5	56
Female	4	44
BY AGE GROUP		
30 and below	0	0
31 - 50	3	33
51 and above	6	67
BY ETHNICITY		
Malay	3	33
Chinese	5	56
Indian	1	11
Other Ethnic Minorities	0	0
Non-Malaysian	0	0
Total	**9**	**100**

SINKUNG's commitment to diversity and inclusivity is reflected in both our Board and workforce composition. In the year under review, the board consists of 9 members, with 56% male and 44% female representation, highlighting a strong presence of women in leadership.

The Group employs a total workforce of 257 individuals, with 52% in permanent roles and 48% in contractual positions. The workforce is predominantly male (73%), while females constitute 27%. Notably, 40% of the male workforce are employed as drivers and 23% in technical roles. This gender distribution reflects the broader trend within the male-dominated logistics industry. The age distribution across the company is varied, with a significant portion of employees falling within the 30-50 age bracket, followed by those under 30. SINKUNG is committed to fostering a diverse and inclusive environment and continues to focus our efforts on enhancing equitable opportunities across all demographic groups.

WORKFORCE PROFILE IN FY2024					
	GENDER		**AGE**		
BY EMPLOYEE CATEGORY	**Male**	**Female**	**< 30**	**30-50**	**> 50**
Senior Management	0%	1%	0%	1%	1%
Managerial	6%	5%	1%	6%	4%
Executive	3%	2%	3%	2%	0%
Drivers	40%	1%	5%	23%	12%
Technical / Others	23%	19%	26%	14%	2%

SUSTAINABILITY STATEMENTS FY2024 (CONT'D)

TRAINING AND EMPLOYEE DEVELOPMENT

SINKUNG is dedicated to empowering employees to achieve their full potential. We offer a dynamic learning environment through on-the-job training, coaching, and a variety of technical and skills development programs, including workshops and seminars. By assessing individual training needs, we develop tailored annual training plans that bridge skill gaps, promote professional growth, and drive continuous improvement.

The training programs conducted in FY2024 include:

Types of Training	Total No. of Hours	No. of Attendees
Anti-Bribery and Anti-Corruption	1	2
Health and Safety	44	149
Regulatory and Governance Compliance	168	7
Career Development	32	14
Operational (finance, technical, risk mgt. IT others.)	65	56

TOTAL HOURS OF TRAINING BY EMPLOYEE CATEGORY	FY2024
Senior Management	143
Managerial	177
Executive	53
Drivers/ Technical / Others	84

Employee Welfare & Benefits

We value our diverse workforce and recognise the unique contributions each employee brings. We believe that employee satisfaction is directly linked to performance, and we strive to create a supportive and inclusive work environment where individuals feel valued and appreciated. To support our employees through significant life events, we provide a range of leave entitlements, including annual leave, medical leave, compassionate leave, maternity and paternity leave, marriage leave as well as leave for absences due to natural calamities and bereavement.

In addition to leave benefits, we are committed to enhancing employee well-being through various initiatives. We organise annual company dinners to foster camaraderie and strengthen workplace relationships. Furthermore, we support our employees with petrol claims for business travel and daily commutes, ensuring greater convenience and reducing financial burdens. Through these initiatives, SINKUNG remains dedicated to fostering a work environment that promotes overall well-being, engagement, and job satisfaction.

COMMUNITY DEVELOPMENT

Meaningful community partnerships are essential for driving lasting social impact. Through proactive engagement with our stakeholders, we continuously seek to understand and address the evolving needs of the communities we serve. Beyond delivering excellence in our services, we are committed to fostering social well-being through transparent business practices and active participation in local welfare initiatives. By building authentic relationships and investing in sustainable community programs, we cultivate trust, create measurable value, and contribute to a more inclusive and resilient society.

In the year under review, SINKUNG invested a total of RM16,165.88 in various charitable initiatives and donations. These investments reached six beneficiaries, highlighting SINKUNG's dedication to making a positive impact on the broader community. These contributions were distributed among several organisations and places of worship, including Pertubuhan Kebajikan Anak-anak Yatim & OKU Mesra Petaling Jaya Selangor, a Hindu Temple, and various other community associations and temples. The donations were allocated to support monthly expenses, provide essential items, and contribute to religious and cultural celebrations. Through these efforts, SINKUNG strives to make a meaningful difference in the lives of those in our surrounding communities.

INVESTMENT IN COMMUNITY AND SOCIETY	FY2024
Total amount invested in the community where the target beneficiaries are external to SINKUNG (RM)	16,165.88
Total number of beneficiaries of the investment in the communities	6

FY2024 CHARITABLE INITIATIVES AND DONATIONS		
Beneficiary	**Purpose**	**Amount (RM)**
Pertubuhan Kebajikan Anak-anak Yatim & OKU Mesra Petaling Jaya Selangor	Donation to support centre's monthly expenses	3,000.00
Pertubuhan Kebajikan Anak-anak Yatim & OKU Mesra Petaling Jaya Selangor	Donation of essential items	3,165.88
Hindu Temple	Donation	2,500.00
Persatuan Pembinaan Rumah Berhala Hock Onn	Donation	1,000.00
Pertubuhan Penyokong Perayaan Por Tor	Donation	1,000.00
Persatuan Penganut Sheng Feng Gong	Donation	500.00
Persatuan Pengurusan Tokong Mausan Klang	Donation	5,000.00

Donation of essential items to Pertubuhan Kebajikan Anak-anak Yatim & OKU Mesra Petaling Jaya Selangor

GOVERNANCE

At SINKUNG, our commitment to ethical conduct and responsible business is foundational to our operations. Our governance policies and procedures establish clear standards of conduct across the Group, ensuring accountability and transparency in building trust with our stakeholders.

We are committed to:

Zero incidents of corruption	Zero regulatory compliance breach	Zero data breach

The Group's governance framework is aligned with the UNSDG16: Peace, Justice, and Strong Institutions. By upholding principles of transparency, accountability, and ethical behaviour, we contribute to the promotion of just, peaceful, and inclusive societies.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

SDG 16: Promoting peaceful and inclusive societies by upholding principles of accountability, transparency and ethical behavior.

BUSINESS ETHICS and CORPORATE GOVERNANCE

Integrity is paramount for all Group employees. Our core values demand unwavering adherence to the highest ethical standards. The Group's Code of Conduct and Ethics provides clear guidelines for employees and business partners, reinforcing our commitment to ethical operations. We maintain a zero-tolerance stance against bribery and corruption, as outlined in our comprehensive Anti-Bribery and Corruption Policy ("Policy").

To facilitate the reporting of genuine concerns regarding actual or potential improprieties, we have established a comprehensive Whistle-Blowing Policy. This policy empowers stakeholders to report suspected fraud, misconduct, or integrity violations with confidence, ensuring appropriate actions are taken to address and mitigate these issues. Reports can be submitted in writing, orally, or via email to the Chairperson of the 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, Malaysia.

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

Comprehensive anti-corruption awareness is a core component of the Group's on-boarding programme for all new recruits. Two employees participated in the Trace Global Anti-Bribery Compliance Challenge for Intermediaries during the reporting year. The valuable knowledge gained from this training was subsequently disseminated to relevant Group personnel.

PERCENTAGE OF EMPLOYEES WHO RECEIVED TRAINING ON ANTI-CORRUPTION in FY2024			
Employee Category	**Total number of employees**	**Number of employees who received training**	**%**
Senior Management	4	4	100%
Middle Management	28	28	100%
Executive	13	13	100%
Driver/Technical / Others	212	212	100%

In the past years and also for FY2024, we are proud to report that there was no incident of corruption, and therefore, no necessary action was taken.

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

DATA PRIVACY AND SECURITY

Recognising the escalating global threat of cyberattacks and information security breaches, the Group has implemented and maintains robust systems to safeguard confidential, private, and sensitive data from unauthorised access. Our proactive approach includes continuous data privacy and cybersecurity initiatives, such as deploying advanced cyber defense tools like firewalls and antivirus software. We also conduct regular IT security training to educate staff on the latest cybersecurity threats and best practices.

Our adherence to the Personal Data Protection Act 2010 ("PDPA") is fundamental to our data protection strategy. By proactively securing the confidentiality, integrity, and availability of information and information systems, we successfully prevented any ransomware or data breach incidents during the period.

	FY2024
Number of substantiated complaints concerning breaches of stakeholder privacy, loss of customer data and cybersecurity	0

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 deep understanding of the complexities inherent in our operational landscapes.

The Group's regulatory compliance is continuously updated to reflect our current business and operational needs, effectively mitigating potential incidents and ensuring safety within our warehouses, communities, and transportation activities. Through the Board of Directors' oversight and collaborative engagement with regulatory authorities, we guarantee compliance with all applicable regulations. We also provide targeted compliance training to equip employees with the necessary knowledge of laws, regulations, and company policies, facilitating adherence in their respective roles.

SUSTAINABILITY STATEMENT (CONT'D)

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 prestigious certification reflects the Group's commitment to high standards of regulatory compliance and supply chain security. Achieving AEO status is a testament to our adherence to rigorous customs requirements and operational integrity, reinforcing our role as a trusted partner in international trade and logistics.

In FY2024, we have fully complied with environmental, social, and relevant laws and regulations pertaining to our operations and we have not received any penalties or fines from the regulatory authorities.

Third-party compliance is fundamental to SINKUNG's operations, ensuring alignment with the stringent standards and expectations of external entities. This goes beyond basic adherence to laws and regulations; it involves a commitment to upholding industry best practices and client-specific requirements. Compliance is validated through certifications from recognised bodies, which provides tangible assurance to our clients.

SINKUNG's service provision undergoes rigorous evaluation and validation by independent third parties. These evaluations include in-depth physical and documentary audits that meticulously verify our capabilities. The scope of these audits is comprehensive, covering critical areas such as warehouse operations, transport activities, and the robustness of our governance, policies, risk management, and business continuity frameworks.

SINKUNG holds the following certifications:

- **Good Distribution Practice for Medical Devices (GDPMD)**, certifying our quality system for the storage and handling, warehousing, distribution and documentation including traceability of single-use devices.
- **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 (GDP) Certification**, validating our adherence to the highest standards in warehousing, storage and distribution including transportation of pharmaceutical products.

These certifications serve as evidence of SINKUNG's dedication to quality, safety, and regulatory compliance, fostering trust and confidence among our clients.

In the event of minor non-compliance observations or opportunities for improvement, SINKUNG engages collaboratively with the third party to develop and implement effective remediation plans, driving a culture of continuous improvement and strengthening our operational resilience.

BUSINESS CONTINUITY & DISASTER RECOVERY PLAN

In the year under review, SINKUNG has established a Business Continuity & Disaster Recovery Plan ("BCDRP") to ensure operational resilience and preparedness for potential disruptions. The plan provides structured guidance and procedures to address a range of emergencies, including natural disasters, power outages, system malfunctions, and other unforeseen events. It aims to minimise operational impacts, safeguard the safety of employees and customers, and enable a swift and efficient recovery. Additionally, the BCDRP establishes a clear communication flow to ensure timely decision-making and immediate action during crises. Through this proactive approach, SINKUNG reinforces our commitment to sustainability, operational continuity, and stakeholder well-being, ensuring the Group remains robust and responsive in challenging situations.

Performance Data Table

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	100.00
Management	Percentage	100.00
Executive	Percentage	100.00
Drivers/ Technical/ Others	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	16,165.88
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	6
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	1.00
Senior Management Above 50	Percentage	1.00
Management Under 30	Percentage	1.00
Management Between 30-50	Percentage	6.00
Management Above 50	Percentage	4.00
Executive Under 30	Percentage	3.00
Executive Between 30-50	Percentage	2.00
Executive Above 50	Percentage	0.00
Drivers Under 30	Percentage	5.00
Drivers Between 30-50	Percentage	23.00
Drivers Above 50	Percentage	12.00
Technical/ Others Under 30	Percentage	26.00
Technical/ Others Between 30-50	Percentage	14.00
Technical/ Others Above 50	Percentage	2.00
Gender Group by Employee Category		
Senior Management Male	Percentage	0.00
Senior Management Female	Percentage	1.00
Management Male	Percentage	6.00
Management Female	Percentage	5.00
Executive Male	Percentage	3.00
Executive Female	Percentage	2.00
Drivers Male	Percentage	40.00
Drivers Female	Percentage	1.00
Technical/ Others Male	Percentage	23.00
Technical/ Others Female	Percentage	19.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	56.00
Female	Percentage	44.00
Under 30	Percentage	0.00
Between 30-50	Percentage	33.00
Above 50	Percentage	67.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	26,400.48
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.67
Bursa C5(c) Number of employees trained on health and safety standards	Number	152
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	143
Management	Hours	177
Executive	Hours	53

Internal assurance External assurance No assurance (*)Restated

SUSTAINABILITY STATEMENT (CONT'D)

Indicator	Measurement Unit	2024
Drivers/ Technical/ Others	Hours	84
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	48.00
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	0
Management	Number	6
Executive	Number	7
Drivers	Number	45
Technical/ Others	Number	52
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	98.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	31.878000
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	1,833.81
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	482.14

Internal assurance External assurance No assurance (*)Restated

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors (**"the Board"**) of Sin-Kung Logistics Berhad (**"the Company"**) recognises the importance of corporate governance and is committed to ensuring that the principles and best practices in corporate governance as set out in the Malaysian Code on Corporate Governance (**"MCCG"**) are observed and practised throughout the Company and its subsidiaries (collectively referred to as **"the Group"**) so that the affairs of the Group are conducted with integrity and professionalism with the objective of safeguarding shareholders' investment and ultimately enhancing shareholders' value.

This statement is prepared in compliance with ACE Market Listing Requirements (**"AMLR"**) of Bursa Malaysia Securities Berhad (**"Bursa Securities"**) and it is meant to be read together with the Corporate Governance Statement and Corporate Governance Report. The Corporate Governance Report provides details on how the Company has applied each practice as set out in the MCCG for the financial period ended 31 December 2024 (**"FYE2024"**), a copy of which is available on the Company's website at www.sinkung.my.

This statement further outlines the following principles and recommendations which the Group has comprehended and applied with the best practices outlined in MCCG and the Board will continue to take measures to improve compliance with principles and recommended best practices in the ensuing years:

- Board Leadership and Effectiveness
- Effective Audit and Risk Management
- Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board has considered and discussed a wide range of matters during the FYE2024, including strategic decisions and reviewing of risk associated matters in the business. The Board is aware that decisions made for the business of the Group would affect a broad range of our stakeholders. While the Board seeks to ensure that the decisions were taken in a way that was fair and consistent with the Group's values, the Board also recognised the importance of balancing these with the need to support the long-term future of the business.

In order to ensure orderly and effective discharge of the above functions and responsibilities of the Board, the Board has established various committees where specific powers of the Board are delegated to the relevant Board Committees.

II. BOARD COMPOSITION

The Board recognises the benefits of having a diverse Board to ensure that the mix and profiles of the Board members in terms of age, ethnicity and gender to provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. The Board believes that a truly diverse and inclusive Board will leverage on different thought, perspective, cultural and geographical background, age, ethnicity and gender which will ensure that the Group has a competitive advantage.

In evaluating the suitability of individual Board members, the Nominating and Remuneration Committee (**"NRC"**) takes into account several factors, including skills, knowledge, expertise, experience, professionalism, integrity and time availability to effectively discharge his or her role as a Director, contribution, background, character, integrity and competence. In the case of candidates for the position of Independent Non-Executive Directors, the NRC will evaluate the candidates' ability to discharge their responsibilities or functions as expected from Independent Non-Executive Directors.

The Board currently has nine (9) Directors, and with the current composition, the Board feels that its members have the necessary knowledge, experience, diverse range of skills and competence to enable them to discharge their duties and responsibilities effectively.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. REMUNERATION

The Board has in place a Directors' and Senior Management Remuneration Policy which is clear and transparent, designed to support and drive business strategy and long-term objectives of the Group. In this regard, the NRC is responsible to formulate and review the remuneration policies for the Directors of the Company to ensure the same remain competitive, appropriate and in line with the prevalent market practices.

The Board carries out a remuneration review for its employees including that of Senior Management, with the view to ensure that the Group continues to retain and attract the best talents in the industry. The proposed salary structure was considered by the NRC and subsequently approved by the Board for implementation.

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee (**"ARMC"**) plays a key role in ensuring integrity and transparency of corporate reporting. The ARMC's role is to review and challenge Management to ensure that appropriate disclosures of accounting treatment and accounting policies are made. The ARMC has a duty to provide assurance to the Board that robust risk management, controls and assurance process are in place. The ARMC continues to monitor the potential risks of the Group and ensures that mitigating factors are in place to see to the health, safety and business continuity of the Group.

Annually, the composition of the ARMC is reviewed by the NRC and recommended to the Board for their approval. With the view to maintain an independent and effective ARMC, the NRC ensures that only Directors who have the appropriate level of expertise and experience and have the strong understanding of the Group's business would be considered for membership on the ARMC.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management is a critical component of good management practice and effective corporate governance. With the Risk Management Framework being in place, the Board's decision-making is supported by sufficient information for the right discussions and considerations. The enhanced level of risk debate and greater involvement from the Management are also critical in ensuring that appropriate monitoring and mitigations are embedded to support the proposals under discussion.

The Board will continue to drive a proactive risk management culture and ensure that the Group's employees have a good understanding and application of risk management principles towards cultivating a sustainable risk management culture. The Board will also continue to challenge the Group's risk reporting mechanism and ensure that it is data-driven to capture and quantify exposures where applicable and necessary.

PRINCIPAL C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

The Group recognises the importance of stakeholder engagement leading to the long-term sustainability of its businesses. As a responsible corporate citizen, the Group must interact with stakeholders and also acknowledge the potential impact that its operations may have on a wide range of stakeholders. For engagement to be constructive and meaningful, each matter considered by the Board therefore has to be in the context of relevant economic, social and environmental factors.

The Company has heightened its engagement efforts with stakeholders by engaging discussions with analysts, fund managers and shareholders, both locally and overseas, upon requests.

Moving forward, the Board intends to adopt a more mature form of sustainability reporting to stakeholders by implementing the International Integrated Reporting Framework in the Annual Report, allowing stakeholders to have a better understanding on the Group's sustainability.

II. CONDUCT OF GENERAL MEETINGS

The Group's Annual General Meeting (**"AGM"**) is an important means of communicating with its shareholders. To ensure effective participation of an engagement with the shareholders at the AGM of the Group, all members of the Board would be present at the meeting to respond to questions raised by shareholders and proxies. In addition, the Chairman of the Board would chair the AGM in an orderly manner and encourage the shareholders and proxies to speak at the meeting. The overall performance of the Group would be presented at the meeting.

In line with good governance practices, the notice of the AGM would be issued at least twenty (28) days before the AGM date and the AGM is conducted through poll. The Group will continue to explore and leverage on technology, to enhance the quality of engagement with its shareholders to facilitate further participations by shareholders at the AGM of the Group.

PRELUDE

Over the next few pages, we would look at the Board, its role, performance and oversight. We will provide details on the Board's activities and discussions during the financial year, the actions arising from these and the progress made against them. We also provide an insight on director independence effectiveness and our Board evaluation, succession planning and induction and ongoing developments.

CORPORATE GOVERNANCE STATEMENT

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

1. Board of Directors

Sin-Kung Logistics Berhad (**"the Company"**) and its subsidiaries (**"the Group"**) acknowledge the pivotal role played by the Board of Directors (**"the Board"**) in the stewardship of its directions and operations, and ultimately the enhancement of long-term shareholders' value. To fulfil this role, the Board plays a critical role in setting the appropriate tone at the top and is charged with leading and managing the Group in an effective, good governance and ethical manner. The directors individually have a legal duty to act in the best interest of the Group and are also collectively aware of their responsibilities to the stakeholders for the manner in which the affairs of the Group are managed. The Board's responsibilities, amongst others include the following:

a) Lead and manage the Company in an effective and responsible manner;

b) Establish the corporate vision and mission, as well as the philosophy of the Company, setting the aims of the management and monitoring the performance of the management;

c) Monitor financial outcomes and the integrity of internal and external reporting, in particular approving annual budgets and longer term strategic and business plans;

d) Assess the effectiveness of the Board of Directors as a whole, the Committees of the Board and the contribution of each Director;

e) To identify principal risks and to ensure the implementation of appropriate systems to protect the company's assets and to minimise the possibility of the Company operating beyond acceptable risk parameters;

f) To keep pace with the modern risk of business and other aspects of governance that encourage enhancement of effectiveness in Board and management;

g) To review the adequacy and integrity of the Group's internal control systems and management information systems including systems for compliance with applicable laws, regulations, rules, directives and guidelines;

h) Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing Board and the key management;

   Establish and review annually corporate communication policies with respect to the following:-

   (i) How the Company interacts with analysts, investors, other key stakeholders and the public.

   (ii) Measures for the corporation to comply with its continuous and timely disclosure obligations.

i) For each member of the Board of Directors, act as representatives of the Company in:

   (i) Enhancing the Group's public image, reputation and credibility.

   (ii) Providing contacts or network for the Group.

   (iii) Being loyal to the Group.

   (iv) Supporting the decisions of the majority of the Board of Directors.

   (v) Identifying, evaluating and carrying out profitable business opportunity for the Group, as well as proving the Group with information on the market in which it operates.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

1. Board of Directors (Cont'd)

j) Ensure all new Directors receive comprehensive orientation to fully understand the role of the Board of Directors and its Committees, as well as the contribution individual Directors are expected to make (including, in particular, the commitment of time and energy that the Company expects from its Directors) and the nature and operation of the Group's business; and

k) In discharging its duties, the Board of Directors may engage the services of an external advisors at the expense of the Company. The Board also allows, any Board committee or Director to engage the services of an external advisor at the expense of the Company, to adequately carry out such committee's duties, where the circumstances so warrant, subject to the Board of Directors' approval.

To assist in the discharge of its responsibilities, the Board has established the following Board Committees to perform certain of its functions and to provide recommendations and advice:

(i) Audit and Risk Management Committee (**"ARMC"**)
(ii) Nominating and Remuneration Committee (**"NRC"**)

Each Board Committee operates within their approved terms of reference set by the Board which are periodically reviewed. The Board appoints the Chairman and members of each Board Committee.

The Chairman of the respective Board Committees will report to the Board on the outcome of any discussions and make recommendations thereon to the Board. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

The Board may form other committees delegated with specific authorities to act on their behalf. These committees will operate under approved terms of reference or guidelines and are formed whenever required.

Board meeting agenda includes statutory matters, governance and management reports, which include strategic risks, strategic projects and operational items. The Board approves an annual performance contract setting the priorities director and performance targets for the Group within the parameters of the corporate plan.

The profile of each Director is presented in the Annual Report of the Company.

2. Separation of position of the Chairwoman and Managing Director

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. The roles of the Chairwoman and the Managing Director of the Company are separately held, and each has clearly accepted division of responsibilities and accountability to ensure a balance of power and authority. This segregation of roles also facilitates a healthy open, exchange of views between the Board and Management in their deliberation of the business, strategic aims and key activities of the Company.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

2. Separation of position of the Chairwoman and Managing Director (Cont'd)

The Independent Non-Executive Chairwoman of the Board, Tan Soo Mooi, leads the Board with focus on governance and compliance and acts as a facilitator at Board meetings to ensure that relevant views and contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates the discussion. The roles and responsibilities of the Chairman's key responsibility, amongst others, includes the following:

a) Provide leadership and run the Board effectively with the assistance of the Board Committees and management;

b) Ensure the whole Board plays a full and constructive part in developing and determining the Group's strategy;

c) Ensure the Board annually reviews its performance and is balanced so as to achieve its effectiveness;

d) Review the performances of individual Directors;

e) Assist and guide the Managing Director. Ensure the Board members are well briefed and have access to information on all aspects of the company's operations;

f) Setting the Board meeting agenda for consideration, giving emphasis on important issues challenged by the Group with emphasis on strategic, rather than operational issues;

g) Chairing of general meetings and Board meetings;

h) Help guide the Group on its long term strategic opportunities and represent the Group with key industry, civic and philanthropic constituents;

i) Promote the highest standards of integrity, probity and corporate governance of the Group; and

j) Ensure that general meetings of the company are conducted efficiently and that shareholders have adequate opportunity to air their views and obtain answers to their queries.

The Board delegates the Group Managing Director, namely Alan Ong Lay Wooi, supported by the Executive Directors to oversee the day-to-day operations to ensure the smooth and effective running of the Group. The Executive Directors implement the policies, strategies, decisions adopted by the Board, monitor the operating financial results against plans and budgets and act as a conduit between the Board and Management in ensuring the success of the Group's governance and management functions.

During Board meetings, the Chairwoman maintains a collaborative atmosphere and ensures that all Directors contribute to the discussion. The Chairwoman and Executive Directors arrange informal meetings and events from time to time to build constructive relationships between the Board members.

The Executive Directors take on primary responsibility to spearhead and manage the overall business activities of the various business division of the Group to ensure optimum utilization of corporate resources and expertise by all the business divisions and at the same time achieve the Group's long-term objectives. The Executive Directors are assisted by the heads of each division in implementing and running the Group's day-to-day business.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

3. Supply of and Access to Information

All Directors have full and unrestricted access to all information pertaining to the Group's businesses and affairs in a timely manner to enable them to discharge their duties effectively.

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors and Board Committees in advance of the scheduled meetings. Notices of meetings are sent to Directors at least seven (7) days before the meetings. Management provides the Board with detailed meeting materials at least seven (7) days in advance of the Board or Board Committees' meetings. Senior Management may be invited to join the meetings to brief the Board and Board Committees on the requisite information on matters being discussed, where necessary.

Technology is effectively used in the meetings of Board and Board Committees and in communication with the Board, where the Directors may receive agenda and meeting materials online and participate in meetings via audio or video conferencing.

4. Commitment of the Board

The Board would meet at least four (4) times a year, at quarterly intervals which are scheduled at the onset of the financial year to help facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened where necessary to deal with urgent and important matters that require attention of the Board. All Board meetings are furnished with proper agendas with due notice given and Board papers are prepared by the Company Secretaries and circulated to all Directors prior to the meetings.

All pertinent issues discussed at the Board meetings are properly recorded by the Company Secretaries.

The Board met five (5) times during the financial period ended 31 December 2024 (**"FYE2024"**). The attendance of each Director at the Board Meetings held during FYE2024 are as follow:

Directors	Number of meetings attended	%
Tan Soo Mooi	5/5	100%
Alan Ong Lay Wooi	5/5	100%
Angeline Ong Lay Shee	5/5	100%
Datuk Md Hassim bin Pardi	5/5	100%
Adeline Ong Lay Suen	5/5	100%
Adam Muralidharan bin Abdullah	5/5	100%
Dato' Haji Abdul Wahabi bin Abdullah	5/5	100%
Lee Lean Suan	5/5	100%
Dato' Ir. Haji Mohamad bin Dalib	5/5	100%

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities which is evidenced by the satisfactory attendance record of the Directors at each Board meeting.

It is the Board's policy for Directors to notify the Board before accepting any new directorship notwithstanding that the ACE Market Listing Requirements (**"AMLR"**) of Bursa Malaysia Securities Berhad ("**Bursa Securities**") allow a Director to sit on the board of a maximum of five (5) listed issuers. At present, all Directors of the Company have complied with the AMLR of Bursa Securities where they do not sit on the board of more than five (5) listed issuers.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

5. Continuous Development of the Board

The Board, via the NRC, continues to identify and attend appropriate briefings, seminars, conferences and courses to keep abreast of changes in legislations and regulations affecting the Group.

All Directors have completed the Mandatory Accreditation Programme. The Directors are mindful that they would continue to enhance their skills and knowledge to maximize their effectiveness as Directors during their tenure. Throughout their period in office, the Directors are continually updated on the Group's business and the regulatory requirements.

The list of training programmes attended by the Directors during the financial year under review are as follows:

- 21st MEXPA Seminar on Government Grants & Financial Assistance for Malaysian Companies (Including Budget 2025 Analysis)
- AMLA 2024
- Anti Bribery and Corruption 2024
- Corporate Board Leadership Symposium 2024
- Corporate Liability MACC Section 17A Training (Remote Online Training)
- Cybersecurity Awareness 2024
- GDP Awareness Training
- GDP Internal Audit Training
- Kursus Ejen Kastam
- LIP Alumni Networking Gathering #2/2024
- Mandatory Accreditation Programme Part 2
- Personal Data Protection Act 2010

The Company Secretaries also highlights the relevant guidelines on statutory and regulatory requirements from time to time to the Board. The External Auditors on the other hand, briefed the Board on changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

6. Board Committees

ARMC

The ARMC monitors internal control policies and procedures designed to safeguard the Group's assets and to maintain the integrity of financial reporting. The ARMC maintains direct, unfettered access to the Company's External Auditor, Internal Auditor and management.

The ARMC comprises of four (4) members, all of whom are Independent Non-Executive Directors. The present members of the ARMC are as follows:

Director	Designation
Lee Lean Suan	Chairwoman
Dato' Haji Abdul Wahabi bin Abdullah	Member
Adam Muralidharan bin Abdullah	Member
Dato' Ir. Haji Mohamad bin Dalib	Member

A copy of the ARMC's Terms of Reference can be found in the Company's website at www.sinkung.my.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

6. Board Committees (Cont'd)

NRC

The NRC oversees matters related to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director as well as identify candidates to fill board vacancies, and nominating them for approval by the Board.

The NRC comprises of the following, all of whom are Independent Non-Executive Directors. The present members of the NRC are as follows:

Director	Designation
Adam Muralidharan bin Abdullah	Chairman
Dato' Haji Abdul Wahabi bin Abdullah	Member
Dato' Ir. Haji Mohamad bin Dalib	Member
Lee Lean Suan	Member

The NRC did not convene any meeting during the FYE2024 as the Company was listed on 15 May 2024.

A copy of the NRC's Terms of Reference is available at the Company's website at www.sinkung.my.

7. Code of Conduct and Ethics

The Company has established a Code of Conduct and Ethics to promote a corporate culture which engenders ethical conduct that permeates throughout the Group. The Code of Conduct and Ethics is based on principles in relation to trust, integrity, transparency, accountability, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism.

The Board is focused on creating corporate culture which engenders ethical conduct that permeates throughout the Company. The Group practices the relevant principles and values in the Group's dealings with employees, customers, suppliers and business associates. The Directors, officers and employees of the Group are also required to observe, uphold and maintain high standards of integrity in carrying out their roles and responsibilities and to comply with the relevant laws and regulations as well as the Group's policies.

The Board is provided guidance through the Code of Conduct and Ethics on disclosure of conflict of interest and other disclosure information/requirements to ensure that the Directors comply with the relevant regulations and practices. In order to address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedures including requiring such Directors to abstain from participating in deliberations during meetings and abstaining from voting on any matter in which they may also be interested or conflicted. The Directors of the Group are also required to disclose and confirm their directorships and shareholdings in the Group and any other entities where they have interests.

Notices on the closed period for trading in the Company's shares are sent to Directors, principal officers and the relevant employees on a quarterly basis specifying the timeframe during which they are prohibited from dealing in the Company's shares, unless they comply with the procedures for dealings during closed period as stipulated in the AMLR.

Details of the Code of Conduct and Ethics can be found in the Company's website at www.sinkung.my.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

8. Whistleblowing Policy and Procedure

The Company has adopted a Whistleblowing Policy as the Board believes that a sound whistleblowing system will strengthen, support good management and at the same time, demonstrate accountability, good risk management and sound corporate governance practices. The policy is to encourage reporting of any major concerns over any wrongdoings within the Group.

The policy outlines the relevant procedures such as when, how and to whom a concern may be properly raised about the genuinely suspected or instances of wrongdoing at the Company and its subsidiaries. The identity of the whistleblower is kept confidential and protection is accorded to the whistleblower against any form of reprisal or retaliation. All such concerns shall be set forth in writing and forwarded to the Company's whistleblowing channel.

Full details of the Whistleblowing Policy can be found on the Company's website at www.sinkung.my.

9. Company Secretaries

The Board is assisted by qualified and competent Company Secretaries who plays a vital role in advising the Board in relation to the Group's constitution, policies, procedures and compliance with the relevant regulatory requirements, codes, guidance and legislations. All the Directors have unrestricted access to the advice and services of the Company Secretaries for the purpose of the conduct of the Board's affairs and the business.

The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through attendance at relevant conferences and training programmes. The Company Secretaries also have attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia or the Malaysian Institute of Chartered Secretary and Administrators for practising company secretary. The Board is satisfied with the performance and support rendered by the Company Secretaries in discharging its functions.

In addition, the Company Secretaries are also accountable to the Board and are responsible for the following:

- Advising the Board on its roles and responsibilities.
- Advising the Board on matters related to corporate governance and the AMLR.
- Ensuring that Board procedures and applicable rules are observed.
- Maintaining records of the Board and ensuring effective management of the Company's statutory records.
- Preparing comprehensive minutes to document Board proceedings and ensuring conclusions are accurately recorded.
- Assisting communications between the Board and Management.
- Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.
- Preparing agendas and co-coordinating the preparation of Board papers.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition

1. Composition and Diversity

The Directors are of the opinion that the current Board size and composition is adequate for facilitating effective decision making given the scope and nature of the Group's businesses and operations. The Board maintains an appropriate balance of expertise, skills and attributes among the Directors which is reflected in the diversity of backgrounds and competencies of the Directors. Such competencies include finance, accounting, legal, digital and other relevant industry knowledge, entrepreneurial and management experience and familiarity with regulatory requirements and risk management.

The NRC ensures that the composition of the Board is refreshed periodically while the tenure, performance and contribution of each Director is assessed by the NRC through the Board Evaluation. In addition, each of the retiring Directors will provide their annual declaration/confirmation on their fitness and propriety as well as independence, where applicable.

As at the date of this Statement, the Board consists of one (1) Independent Non-Executive Chairwoman, four (4) Independent Non-Executive Directors, one (1) Non-Independent and Non-Executive Director, and three (3) Executive Directors, wherein at least half of the Board comprises Independent Directors. The composition of the Board ensures that the Independent Non-Executive Directors will be able to exercise independent judgment on the affairs of the Company.

The Board of Directors' profile can be found in the Annual Report of the Company.

2. Independency of Independent Directors

The Independent Directors play a crucial role in corporate accountability and provide unbiased views and impartiality to the Board's deliberations and decision-making process. In addition, the Independent Directors ensure that matters and issues brought to the Board are given due consideration, fully discussed and examined, taking into account the interest of all stakeholders. The Board, via the NRC assesses each Director's independence to ensure on-going compliance with this requirement annually. The NRC is satisfied that the Independent Directors are independent of Management and free from any business or other relationships which could interfere with the exercise of independent judgement, objectivity and the ability to act in the best interest of the Company.

As at the date of this statement, none of the Independent Directors has exceeded a cumulative term of nine (9) years.

3. Appointment of Board and Senior Management

The Board of Directors comprise of a collective of individuals having an extensive complementary knowledge and competencies, as well as expertise to make an active, informed and positive contribution to the management of the Group in terms of the business' strategic direction and development. The appointment of the Board and its Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

The NRC will assess the suitability, fitness and propriety of the candidates based on criteria set out in the Fit and Proper Policy before formally considering and recommending them for appointment to the Board or senior management. In proposing its recommendation, the NRC will consider and evaluate the candidates' required skills, knowledge, expertise, competence, experience, characteristics, professionalism. For appointment of Independent Directors, considerations will also be given on whether the candidates meet the requirements for independence as defined in AMLR of Bursa Securities and time commitment expected from them to attend to matters of the Company in general, including attending meetings of the Board, Board Committees and AGM.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

4. Gender Diversity

While the Board of Directors acknowledge the need to promote gender diversity within its composition and endeavour to increase female participation in the Board and Senior Management, it has decided not to set any specific targets as the Board believes that it is more important to have the right mix and skills for such positions. As at the date of this report, there are seven (7) female employees involved in the Board and Senior Management, collectively.

The Company has adopted a diversity policy which outlines its approach to achieving and maintaining diversity (including gender diversity) on its Board and in Senior Management positions. This includes requirements for the Board to establish measurable objectives for achieving diversity on the Board and in management positions, and for the appropriate Board Committees to monitor the implementation of the policy, assess the effectiveness of the Board nomination process and the appointment process for management positions at achieving the objectives of the policy.

5. Identifying Suitable Candidates

Any proposed appointment of a new member to the Board will be deliberated by the full Board based upon a formal report, prepared by the NRC on the necessity for reviewing the qualifications and experience of the proposed director. The NRC would be guided by the Directors' Fit and Proper Policy and an internal policy on Criteria and Skill Sets for the Board Members in assessing the suitability of the potential candidates for appointment to the Board.

6. Chairman of the NRC

The NRC is led by Adam Muralidharan bin Abdullah, the Independent Non-Executive Director, who directs the NRC for succession planning and appointment of Board members and Senior Management by conducting annual review of board effectiveness and skill assessments. This provides the NRC with relevant information of the Group's needs, allowing them to source for suitable candidates when the need arises.

7. Annual Evaluation

The NRC is responsible in evaluating performance and effectiveness of the entire Board, the Board Committees and individual Director on a yearly basis. The evaluation process is led by the NRC Chairman and supported by the Company Secretaries via questionnaires. The NRC reviews the outcome of the evaluation and recommends to the Board on areas for continuous improvement and also for them to form the basis of recommending relevant Directors for re-election at the AGM.

The assessment criteria used in the assessment of Board and individual Directors include a mix of skills, knowledge, Board diversity, size and experience of the Board, core competencies and contributions of each Director. The Board Committees were assessed based on their roles and responsibilities, scope and knowledge, frequency and length of meetings, supply of sufficient and timely information to the Board and also overall effectiveness and efficiency in discharging their function.

The Board evaluation comprises Performance Evaluation of the Board and various Board Committees, Directors' Peer Evaluation and Assessment of the independence of the Independent Directors. The assessment is based on four (4) main areas relating to Board Structure, Board Operations, Roles and Responsibilities of the Board and Board Committees and elements of environmental social and governance.

For Directors' Peer Evaluation, the assessment criteria include abilities and competencies, calibre and personality, technical knowledge, objectivity and the level of participation at Board and Committee meetings including his/her contribution to Board processes.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

7. Annual Evaluation (Cont'd)

Any appointment of a new Director/ re-appointment of Director to the Board or Board Committee will be subject to the Directors' Fit and Proper assessment and is recommended by the NRC for consideration and approval by the Board. In accordance with the Company's Constitution, one-third (1/3) of the Directors (including the Managing Director) for the time being shall retire from office at each AGM. A retiring director shall be eligible for re-election. The Constitution also provides that all directors shall retire at least once every three (3) years.

During the year, the Board conducted an internally facilitated Board assessment. The results and recommendations from the evaluation of the Board and Committees are reported to the Board for full consideration and action. The Board was comfortable with the outcome and that the skills and experience of the current Directors satisfy the requirements of the skills matrix and that the Chairman possesses the leadership to safeguard the stakeholders' interest and ensure the development of the Group.

The NRC also considered the results of the evaluation when considering the re-election of Directors and recommended to the Board for endorsement the Directors standing for re-election at forthcoming AGM of the Company.

III. Remuneration

The objective of the Group's internal remuneration policy is to provide fair and competitive remuneration to its Board and Senior Management in order for the Company to attract and retain Board and Senior Management of calibre to run the Group successfully. The responsibilities for developing the remuneration policy and determining the remuneration packages of Executive Directors and Senior Management lie with the NRC. Nevertheless, it is ultimately the responsibility of the Board to approve the remuneration of Executive Directors and Senior Management.

Based on the remuneration framework, the remuneration packages for the Executive Directors and Senior Management compose of a fixed component (i.e. salary, allowance and etc.) and a variable component (i.e. bonus, benefit-in kind and etc.) which is determined by the Group's overall financial performance in each financial year which is designed to support our strategy and provides a balance between motivating and challenging our senior managements to deliver our business priorities, as set out by Executive Directors, and strong performance while also driving the long-term sustainable success of the Group.

The level of remuneration of Non-Executive Directors reflects their experience and level of responsibility undertaken by them. Non-Executive Directors will receive a fixed fee, with the Chairwoman of the Board receiving a higher fee in respect of her service as Chairwoman of the Board. The fees for Directors are determined by the Board with the approval from shareholders at the AGM and no Director is involved in deciding his/her own remuneration.

During the financial year under review, the NRC had reviewed the remuneration for the Executive Directors and Senior Management which reflects their level of responsibilities as well as the performance of the Group, and considered their remuneration packages are comparable within the industry norm. The NRC further discussed the annual salary review for the Executive Directors and Senior Management in line with the budget salary increase for the rest of the organisation. When approving payments for annual bonus, the NRC considered the overall performance of the business and of the Executive Directors and Senior Management against this, as well as their individual targets. Bonus payments made to Executive Directors and Senior Management reflected the large proportion of collective measures for the year, in support of focusing on teamwork and simplicity within the pay arrangements.

The detailed disclosure on named basis for the remuneration of individual Directors that includes fees, salary, bonus, benefits in-kind and other emoluments from the Company and the Group for the FYE2024 and the senior management's remuneration in bands of RM50,000 are set out in the Corporate Governance Report.

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. ARMC

Presently, the ARMC consists of four (4) Independent Non-Executive Directors and all of them are financially literate and have sufficient understanding of the Group's business. All the members of the ARMC undertook continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules.

The Chairman of the ARMC is not the Chairman of the Board, ensuring that the impairment of objectivity on the Board's review of the ARMC's findings and recommendation remains intact. The composition of the ARMC undergoes an annual review by the NRC and subsequently recommended to the Board for approval. Based on the results of the evaluation conducted during the FYE2024, the Board expressed satisfaction with the performance of the ARMC in discharging its responsibilities.

The ARMC has adopted a Terms of Reference which sets out its goals, objectives, duties, responsibilities and criteria on the composition of the ARMC which includes a former partner of the external audit firm of Group to observe a cooling-off period of at least three (3) years before being able to be appointed as a member of the ARMC. For the FYE2024, no former partner of the Company's Auditors is appointed as a member of ARMC.

In presenting the annual audited financial statements and interim financial statements on a quarterly basis to the shareholders, the Board is responsible to present a clear, balanced and understandable assessment of the Group's performance and position. The ARMC is entrusted to provide assistance to the Board in reviewing the Group's financial reporting process and accuracy of its financial results, and scrutinising information for disclosure to ensure accuracy, adequacy, completeness and compliance with the accounting standards.

The Board places great emphasis on the objectivity and independence of the External Auditors. Through the ARMC, the Board maintains a transparent relationship with the External Auditors in seeking professional advice on the internal control and ensuring compliance with the appropriate accounting standards. The ARMC is empowered to communicate directly with the External Auditors to highlight any issues of concern at any point in time.

The External Auditors is recommended to meet the ARMC without the presence of the executive Board members and Management on regular basis pertaining on matters relating to the Group and its audit activities. During such meetings, the External Auditors highlight and discuss the nature and scope of the audit, audit programme, internal controls and any other issues that may require the attention of the ARMC or the Board.

The ARMC ensures the External Audit function is independent of the activities it audits and reviews the contracts for the provision of non-audit services by the External Auditors in order to make sure that it does not give rise to conflict of interests. The excluded contracts would include management consulting, internal audit and standard operating policies and procedures documentation.

For the FYE2024, fees paid to the External Auditors, Messrs UHY Malaysia PLT and its affiliated firms by the Company and the Group are stated in the table below:

Nature of Services	Group (RM)	Company (RM)
Audit services rendered	90,000	56,500
Non-Audit services rendered	138,600	138,600

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I. ARMC (Cont'd)

The External Auditors have confirmed to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

Further information on the roles and responsibilities of the ARMC may be found in the Annual Report of the Company.

II. Risk Management and Internal Control Framework

The Board assumes ultimate responsibility for the effective management of risk across the Group, determining its risk appetite as well as ensuring that each business area implements appropriate internal controls. In order to achieve such objective, a risk management framework has been adopted by the Group. The Group's risk management systems are designed to manage and eliminate risks, where possible to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated its responsibility for reviewing the effectiveness of the Group's systems of internal control to the ARMC. This covers all material controls including financial, operational, compliance and risk management systems. The ARMC is further supported by a number of sources of internal assurance within the Group in order to determine the adequacy and effectiveness of the framework.

The Group has outsourced the internal audit function as being the most cost-effective means of implementing an internal audit function. The independent third-party service provider of the internal audit services for the FYE2024 was Messrs GovernanceAdvisory.com Sdn. Bhd. (**"GASB"**), which reported directly to the ARMC as specified in the Terms of Reference of the ARMC. The internal audit function of the Group assigned by GASB consists of ten (10) audit executives and led by Mr. Wong Tchen Cheg, an experienced internal auditor been with GASB for sixteen (16) years since year 2015. Details on the person responsible for the internal audit are set out below:

Name	Wong Tchen Cheg
Qualification	Member of Malaysia Institute of Accountant (MIA) and CPA Australia
Independence	Does not have any family relationship with any of the director and/or major shareholder of the Company
Public Sanction or penalty	Has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Further information may be found in the Statement on Risk Management and Internal Control and the Management Discussion and Analysis of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with stakeholders

The Board believes that stakeholders' communication is an essential requirement of the Group's sustainability. In view thereof, stakeholders are informed of all material business events and risks of the Group in a factual, timely and widely available manner. The Board has formalised a corporate communications policy and procedure not only to comply with the discourse requirements as stipulated in the AMLR, but also sets out the persons authorised and responsible to approve and disclose material information to all stakeholders.

The Group has set up an investor relations program to facilitate effective two-way communication with investors and analyst to provide a greater understanding of the Group's vision, strategies, developments and financial prospects. A variety of engagement initiatives including direct meetings and dialogues with stakeholders are constantly conducted to learn about their needs enabling sustainability and growth of the Group.

The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences. It is the Group's practice that any material information for public announcement, including annual, quarterly financial statements, press releases, and presentation to investors, analyst and media are factual and reviewed internally before issuance to ensure accuracy and is expressed in a clear and objective manner.

The Company's corporate website includes a dedicated Investor Relations section which provides all relevant information on the Group, including announcements to Bursa Securities, share price information as well as the corporate and governance structure of the Group. Stakeholders are also able to subscribe to e-mail alerts from the Group via the Investor Relation page.

II. Conduct of General Meetings

The AGM is the principal forum for dialogue with shareholders, allowing shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. To ensure shareholders have sufficient time to go through the Annual Report, it is circulated at least twenty-eight (28) calendar days before the date of the AGM. Shareholders are encouraged to vote on the proposed motions by appointing a proxy in the event they are unable to attend the meeting.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

OBJECTIVE

The Audit and Risk Management Committee ("**ARMC**") was established with the primary objective of assisting the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiary companies.

COMPOSITION MEETING ATTENDANCE

The ARMC comprise of four (4) members, all of whom are Independent Non-Executive Directors. One of the members is a member of the Malaysian Institute of Accountant, bringing specialized expertise to the ARMC deliberations. The composition of the ARMC adheres strictly to the stipulated requirements outlined in Rule 15.09(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), ensuring compliance with regulatory standards and best practices.

During the financial period ended 31 December 2024 ("**FYE2024**"), the ARMC held three (3) meetings and the records of the attendance of the ARMC members are as follow:

Directors	Designation	Number of meetings attended	%
Lee Lean Suan [1]	Chairman	3/3	100%
Dato' Haji Abdul Wahabi bin Abdullah	Member	3/3	100%
Adam Muralidharan bin Abdullah	Member	3/3	100%
Dato' Ir. Haji Mohamad bin Dalib	Member	3/3	100%

Note: [1] Member of the Malaysian Institute of Accountants

All members of the ARMC possess financial literacy and equipped with the necessary skills to proficiently analyze and interpret financial statements. This expertise enables them fulfill their duties, roles, and responsibilities for the Company with precision and effectiveness. Their adeptness in financial matters ensures comprehensive oversight and informed decision-making, contributing significantly to the ARMC's ability to safeguard the Company's interests and maintain transparency and integrity in financial reporting.

TERMS OF REFERENCE

The scope of duties and responsibilities of the ARMC are stated in the Terms of Reference ("**TOR**") is made available on the Company's website, www.sinkung.my.

SUMMARY ACTIVITIES

The activities of the ARMC during the FYE2024, include the following:

a) Reviewed the unaudited quarterly results of the Group and the Company including the announcements pertaining thereto, before recommending to the Board for approval and release the results to Bursa Securities;

b) Reviewed with the External Auditors on their Audit Planning Memorandum for the FYE2024;

c) Reviewed and discussed with the External Auditors of their audit findings inclusive of system evaluation, audit fees, issues raised, audit recommendations and management's response to these recommendations;

d) Reviewed and approved the non-audit services provided/to be provided by the External Auditors and its affiliates to ensure the provision of the non-audit services does not impair their independence or objectivity as External Auditors of the Group and the Company;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

SUMMARY ACTIVITIES (CONT'D)

The activities of the ARMC during the FYE2024, include the following (Cont'd):

e) Reviewed and assessed the adequacy of the scope and functions of the internal audit plan;

f) Reviewed the internal audit reports presented and considered the findings of internal audit through the review of the internal audit reports tabled and management responses thereof;

g) Reviewed and approved on the Internal Audit Planning Memorandum for the FYE2024 to ensure adequate scope and coverage of the activities of the Group and the Company which was prepared based on risk-based approach;

h) Reviewed the effectiveness of the Group's system of internal control;

i) Reviewed the proposed fees for the External Auditors and Internal Auditors in respect of their audit of the Company and the Group;

j) Reviewed related party transactions and conflict of interest situation that may arise within the Group and/or the Company, to ensure that transactions entered into were on arm's length basis and on normal commercial terms;

k) Reviewed the Company's compliance with the ACE Market Listing Requirements, applicable Approved Accounting Standards and other relevant legal and regulatory requirements;

l) Reviewed the Audit and Risk Management Committee Report and Statement on Risk Management and Internal Control before recommending to the Board for approval and inclusion in the Annual Report; and

m) Report to the Board on its activities and significant findings and results.

INTERNAL AUDIT FUNCTION

The Group has appointed an established external professional Internal Audit firm, which reports to the ARMC and assists the ARMC in reviewing the effectiveness of the internal control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives.

Internal audit provides independent assessment on the effectiveness and efficiency of internal controls utilising a global audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the ARMC.

The ARMC approves the Internal Audit Planning Memorandum during the first ARMC meeting each year. Any subsequent changes to the Internal Audit plan are approved by the ARMC. The scope of internal audit covers the audits of all units and operations, including subsidiaries as stated in the letter of engagement.

During the FYE2024, the following activities were carried out by the Internal Auditors in discharge of its responsibilities:

(i) The internal audit function conducted based on an annual internal audit plan which was tabled before and approved by the ARMC;

(ii) Internal Audit Plan covers the key functional areas and business activities of the major subsidiaries of the Group as well as issues relating to control deficiencies and areas for improvements including the relevant recommendations to address the issues;

;

INTERNAL AUDIT FUNCTION (CONT'D)

During the FYE2024, the following activities were carried out by the Internal Auditors in discharge of its responsibilities : (Cont'd)

(iii) Emphasis on best practices and management assurance that encompass all business risks, particularly on the effectiveness and efficiency of operations, reliability of reporting, compliance with applicable law and regulations and safeguard of assets

(iv) Performed follow-up on status of management agreed action plan on recommendation raised in previous cycles of internal audits including specific timelines for those outstanding matters to be resolved; and

(v) Reports issued by the internal audit function were tabled at ARMC meetings in which management was present at such meeting to provide pertinent clarification or additional information to address questions raised by ARMC members pertaining to matters raised.

The ARMC and the Board agree that the internal audit review was done in accordance with the audit plan and the coverage is adequate.

For further details on the risk management, internal controls and internal audit functions, please refer to the Statement on Risk Management and Internal Control in this Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is pleased to provide the following Statement on Risk Management and Internal Control pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("**the Guidelines**").

RESPONSIBILITIES

The Board recognises the importance of good risk management practices and sound internal controls as a platform to good corporate governance. The Board acknowledges its responsibility for maintaining a sound risk management framework and internal control system, and ensuring its adequacy and effectiveness.

Due to inherent limitations in any risk management and internal control system, such system put into effect by management are designed to manage rather than eliminate all the risks that may impede the achievement of the Group's business objectives, and as such, it can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Board through its Audit and Risk Management Committee ("**ARMC**") has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment and regulatory requirements. The process is reviewed by the Board and the ARMC on a periodic basis.

Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced by the Group, and in the design and operation of suitable internal controls to mitigate these risks identified.

The Board is of the view that the risk management and internal control system in place for the period under review and up to the date of issuance of the annual report is adequate and effective to safeguard the shareholders' investment, the interests of customers, regulators, employees and the Group's assets.

RISK MANAGEMENT FRAMEWORK

Risk management is firmly embedded in the Group's management system as the Board firmly believes that risk management is critical for the Group's sustainability and the enhancement of shareholder value. Key management staff and Heads of Department are delegated with the responsibility to manage identified risks within defined parameters and standards.

Periodic Management Meetings which are attended by the Department Heads and key management staff are held to:

- communicate the vision, roles and direction of the Group and priorities to all the employees and key stakeholders;
- identify, assess and evaluate the key risks of the Group that affect its goals and objectives for the year under review; and
- propose the appropriate mitigating controls and the significant risks that affect the Group's strategic and business plans, if any, to the Board at their scheduled meetings.

The key management staff meets regularly to review the risks faced by the Group and ensure that the existing mitigation actions are adequate. Risks identified are prioritised in terms of likelihood of occurrence and its impact on the achievement of the Group's business objectives.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL CONTROL SYSTEM

The key elements of the internal control system that provide effective governance and oversight of internal control are described as follow:

(i) A well-defined organisational structure with clear lines of accountability and responsibilities provide a sound framework within the organisation in facilitating check and balance for proper decision making at the appropriate authority levels of management including matters that require the Board's approval.

(ii) A documented delegation of authority that sets out decisions that need to be taken and the appropriate levels of management involved including matters that require the Board's approval.

(iii) The Board and ARMC meet at least once on a quarterly basis to review and deliberate on the unaudited quarterly financial reports, annual financial statements, internal audit reports and etc. Discussions with management were held to deliberate on the actions that are required to be taken to address internal control issues identified.

(iv) Internal policies and procedures had been established for key business units within the Group.

INTERNAL AUDIT FUNCTION

The Group had appointed an independent professional firm, GovernanceAdvisory.com Sdn. Bhd. ("**GA**") to assist the Board and ARMC in performing regular and systematic review and provide independent assessment on the adequacy, efficiency and effectiveness of the Group's risk management and internal control system. GA is free from any relationship or conflict of interest, which may impair their objectivity and independence of the internal audit function.

The total costs incurred in respect of the outsourced of internal audit functions for the financial year ended 31 December 2024 ("**FYE2024**") was RM15,120.00.

During the FYE2024, internal audit visits were carried out and the findings of the internal audit, including the recommended corrective actions, were presented directly to the ARMC.

In addition, follow up review will be conducted to ensure that corrective actions have been implemented on a timely manner. Based on the internal audit review conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in this Annual Report.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors had reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

CONCLUSION

For the financial year under review and up to the date of approval of this statement, the Board is of the opinion that the risk management and internal control system of the Group currently in place is adequate and effective to safeguard the Group's interests and assets.

In addition, the Board has received reasonable assurance from the Executive Directors that the Group's risk management and internal control system are adequate and operate effectively, in all material respects.

The Board will continue to assess and monitor the adequacy and effectiveness of the risk management and internal control system of the Group and to strengthen it, as and when necessary.

This statement is made in accordance with a resolution of the Board of Directors dated 21 April 2025.

STATEMENT OF DIRECTORS' RESPONSIBILITY
IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia.

The Directors are responsible to ensure that the financial statement is given a true and fair view of the financial position of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year then ended.

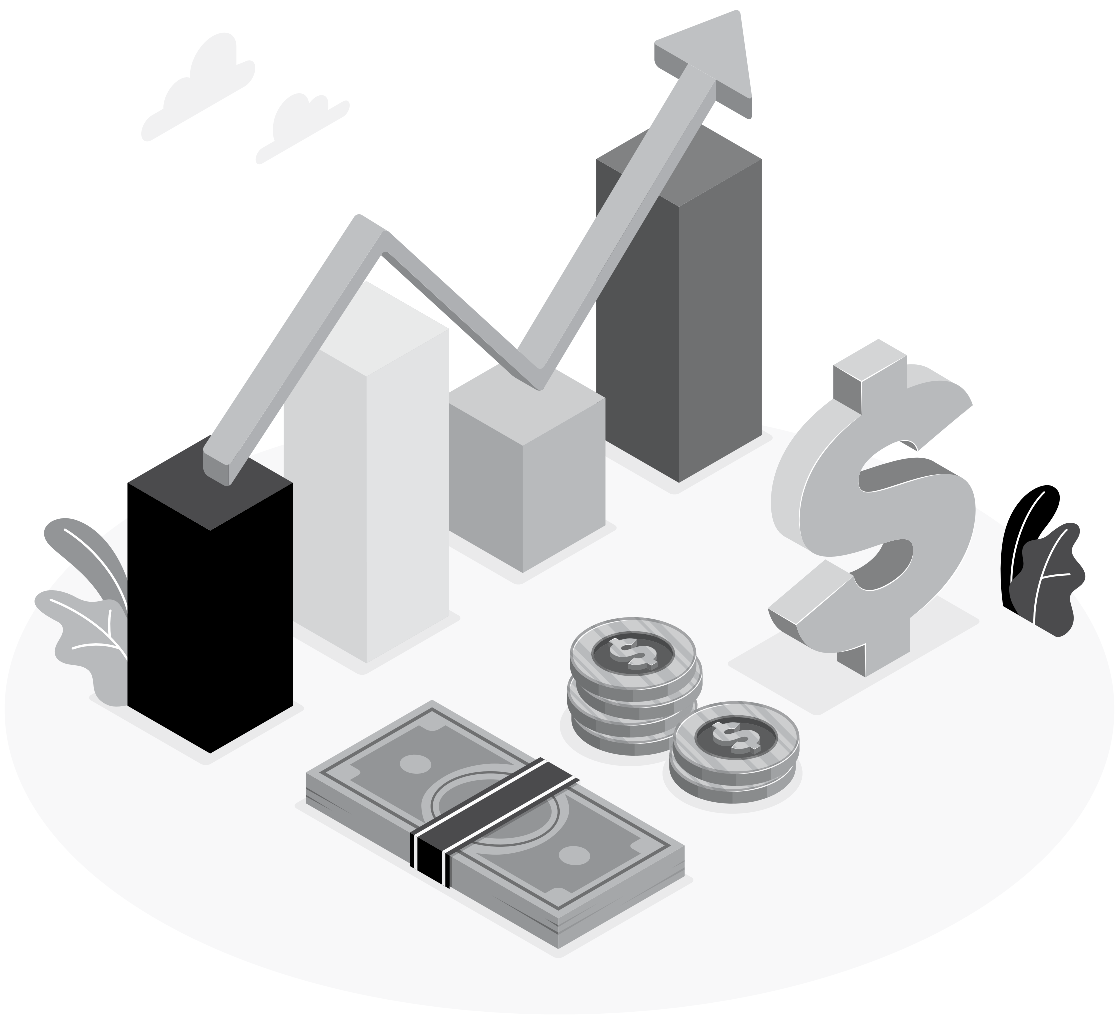
In preparing the financial statements, the Directors have observed the following criteria:

- overseeing the overall conduct of the company's business and that of the group;
- identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risks;
- reviewing the adequacy and integrity of internal controls system and management information system in the company and within the group;
- adopting suitable accounting policies and apply them consistently;
- making judgements and estimates that are reasonable and prudent; and
- ensuring that the financial statements were prepared on a going concern basis and in compliance with all applicable approved accounting standards in Malaysia subject to any material departures, if any, were disclosed.

The Directors are satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2024, appropriate accounting policies were used and applied consistently, and adopted to include new and revised Malaysian Financial Reporting Standards where applicable. The Directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and to minimise fraud and other irregularities.

FINANCIAL STATEMENTS



DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

Principal Activities

The principal activities of the Company consist of providing lorry transport services, hiring of trucks and warehousing/maintenance services. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and of its subsidiary companies during the financial year.

Financial Results

	Group RM	Company RM
(Loss)/Profit for the financial year	(713,613)	429,987
Attributable to:		
Owners of the parent	(711,329)	429,987
Non-controlling interests	(2,284)	-
	(713,613)	429,987

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

Dividends

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

Issue of Shares and Debentures

During the financial year, the Company increased its issued and paid-up share capital from RM8,000,000 to RM34,000,000 by way of an issuance of 200,000,000 new ordinary shares at an issue price of RM0.13 per ordinary share for cash.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS' REPORT
(CONT'D)

Directors

The Directors in office since the beginning of the financial year until the date of this report are:

Alan Ong Lay Wooi *
Angeline Ong Lay Shee *
Datuk Md Hassim Bin Pardi
Adeline Ong Lay Suen
Adam Muralidharan Bin Abdullah
Dato' Haji Abdul Wahabi Bin Abdullah
Lee Lean Suan
Tan Soo Mooi
Dato' Ir. Haji Mohamad Bin Dalib

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial year up to the date of this report:

Ameline Ong Lay Ling
Wan Chun Choong

** Director of the Company and its subsidiary companies*

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deeded incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

Directors' Interests in Shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2024	**Bought**	**Sold**	**At 31.12.2024**
Interests in the Company				
Direct interests				
Alan Ong Lay Wooi	399,000,000	-	(41,400,000)	357,600,000
Angeline Ong Lay Shee	199,500,000	-	(20,700,000)	178,800,000
Datuk Md Hassim Bin Pardi	2,500,000	-	-	2,500,000
Adam Muralidharan Bin Abdullah	-	500,000	-	500,000
Dato' Haji Abdul Wahabi Bin Abdullah	-	50,000	-	50,000
Lee Lean Suan	-	2,500,000	(250,000)	2,250,000
Tan Soo Mooi	-	400,000	-	400,000
Dato' Ir. Haji Mohamad Bin Dalib	-	50,000	-	50,000
Indirect interests				
Angeline Ong Lay Shee #	399,000,000	-	(41,400,000)	357,600,000
Adeline Ong Lay Suen #	399,000,000	-	(41,400,000)	357,600,000

\# *deemed interests by virtue of the shareholdings in Lille Management Sdn. Bhd..*

By virtue of their interests in the shares of the Company, Mr. Alan Ong Lay Wooi, Ms. Angeline Ong Lay Shee and Ms. Adeline Ong Lay Suen are also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016 in Malaysia.

DIRECTORS' REPORT (CONT'D)

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than as disclosed in Note 28 to the financial statements.

The details of the Directors' remuneration for the financial year ended 31 December 2024 are set out below:

	Group RM	**Company RM**
Executive Directors:		
- Salaries and other emoluments	1,791,400	1,729,000
- Defined contribution plans	232,882	224,770
- Social security contribution	4,763	3,651
	2,029,045	1,957,421
Estimated value of benefit-in-kind	59,600	59,600
	2,088,645	2,017,021
Non-executive Directors:		
- Fees	188,000	188,000
- Other emoluments	93,900	93,900
	281,900	281,900
	2,370,545	2,298,921

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and Insurance Costs

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act 2016 in Malaysia.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

Other Statutory Information (Cont'd)

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

(iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due;

(ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

Significant Events

The details of the significant events are disclosed in Note 31 to the financial statements.

DIRECTORS' REPORT (CONT'D)

Auditors

The auditors, UHY Malaysia PLT, have expressed their willingness to continue in office.

UHY Malaysia PLT (LLP0041391-LCA & AF 1411) was registered on 19 December 2024 and with effect from that date, UHY Malaysia (Formerly known as UHY) (AF 1411), a conventional partnership was converted to a limited liability partnership.

The auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2024 are as follows:

	Group RM	Company RM
Auditors' remuneration:		
- Statutory audits		
- UHY Malaysia PLT	90,000	56,500
- Other auditors	11,514	-
	101,514	56,500
- Other services		
- UHY Malaysia PLT	138,600	138,600
	240,114	195,100

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 21 April 2025.

ALAN ONG LAY WOOI

ANGELINE ONG LAY SHEE

PENANG

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 21 April 2025.

ALAN ONG LAY WOOI	**ANGELINE ONG LAY SHEE**

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, ALAN ONG LAY WOOI, being the Director primarily responsible for the financial management of Sin-Kung Logistics Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provision of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at George Town in the)
State of Penang on 21 April 2025)

ALAN ONG LAY WOOI

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SIN-KUNG LOGISTICS BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sin-Kung Logistics Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 94 to 146.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How we addressed the key audit matters
Impairment of trade receivables The carrying amount of the Group's trade receivables was amounted to RM6.6 million. During the financial year, the Group assessed the impairment of trade receivables and the assessment of impairment involves significant estimation uncertainty subjective assumptions and the application of significant judgement.	- We assessed the reasonableness of the methods and assumptions used by management in estimating the recoverable amount and impairment loss; and tested the accuracy and completeness of the data used by the management. - We enquired the management and assessed the rationale underling the relationship between forward-looking information and expected credit losses. - We reviewed the adequacy of the amount of impairment loss and enquired the management regarding the recoverability of a sample of trade receivables that are pass due but not impaired accounts and reviewed the customers' correspondence.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SIN-KUNG LOGISTICS BERHAD
(CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary companies of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY Malaysia PLT
202406000040 (LLP0041391-LCA) & AF 1411
Chartered Accountants

TIO SHIN YOUNG
Approved Number: 03355/02/2026 J
Chartered Accountant

PENANG
21 April 2025

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	88,444,500	59,750,531	79,080,979	50,383,471
Investment properties	5	12,625,277	12,625,277	-	-
Right-of-use assets	6	44,431,072	40,348,048	44,431,072	40,348,048
Investment in subsidiary companies	7	-	-	546,626	546,626
Other investments	8	5,000	5,000	5,000	5,000
Total non-current assets		145,505,849	112,728,856	124,063,677	91,283,145
Current assets					
Inventories	9	2,911,594	2,918,596	2,911,594	2,918,596
Trade receivables	10	6,612,232	7,985,947	6,508,785	7,919,633
Other receivables	11	6,049,429	3,925,130	5,862,390	3,687,656
Amount due from subsidiary companies	12	-	-	26,349,203	18,876,351
Tax recoverable		384,647	612,087	369,847	592,849
Cash and bank balances		21,904,324	10,148,700	20,562,709	8,798,458
Total current assets		37,862,226	25,590,460	62,564,528	42,793,543
Total assets		183,368,075	138,319,316	186,628,205	134,076,688
EQUITY					
Share capital	13	32,749,397	8,000,000	32,749,397	8,000,000
Reserves	14	51,498,140	52,202,954	54,803,694	54,373,707
Equity attributable to owners of the parent		84,247,537	60,202,954	87,553,091	62,373,707
Non-controlling interests		63,066	65,350	-	-
Total equity		84,310,603	60,268,304	87,553,091	62,373,707
LIABILITIES					
Non-current liabilities					
Lease liabilities	15	10,947,457	12,061,338	10,947,457	12,061,338
Loans and borrowings	16	65,375,010	49,727,306	65,375,010	43,952,309
Deferred tax liabilities	17	5,677,597	3,828,098	5,677,597	3,828,098
Total non-current liabilities		82,000,064	65,616,742	82,000,064	59,841,745
Current liabilities					
Trade payables	18	219,341	186,381	219,341	186,381
Other payables	19	7,257,081	1,379,015	6,958,162	1,022,581
Amount due to subsidiary companies	12	-	-	318,327	177,373
Tax payable		1,766	27,967	-	-
Lease liabilities	15	5,797,399	5,719,694	5,797,399	5,719,694
Loans and borrowings	16	3,781,821	5,121,213	3,781,821	4,755,207
Total current liabilities		17,057,408	12,434,270	17,075,050	11,861,236
Total liabilities		99,057,472	78,051,012	99,075,114	71,702,981
Total equity and liabilities		183,368,075	138,319,316	186,628,205	134,076,688

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Revenue	20	54,159,147	51,983,788	53,544,006	51,719,763
Cost of sales		(31,396,728)	(27,955,267)	(31,554,640)	(28,345,186)
Gross profit		22,762,419	24,028,521	21,989,366	23,374,577
Other income		638,090	247,356	1,418,777	738,310
Administrative expenses		(15,549,439)	(10,966,485)	(14,844,742)	(10,479,024)
Net gain/(loss) on impairment of financial instruments		-	-	15,644	(37,010)
Profit from operations		7,851,070	13,309,392	8,579,045	13,596,853
Finance costs	21	(4,329,442)	(3,628,144)	(4,051,688)	(3,156,169)
Profit before tax	22	3,521,628	9,681,248	4,527,357	10,440,684
Taxation	23	(4,235,241)	(3,274,175)	(4,097,370)	(3,132,113)
(Loss)/Profit for the financial year		(713,613)	6,407,073	429,987	7,308,571
Other comprehensive income/(loss), Item that will not be reclassified subsequently to profit or loss					
Exchange translation differences of foreign operations		6,515	(6,059)	-	-
Total comprehensive (loss)/income for the financial year		(707,098)	6,401,014	429,987	7,308,571
(Loss)/Profit for the financial year attributable to:					
Owners of the parent		(711,329)	6,417,928	429,987	7,308,571
Non-controlling interests		(2,284)	(10,855)	-	-
		(713,613)	6,407,073	429,987	7,308,571
Total comprehensive (loss)/income for the financial year attributable to:					
Owners of the parent		(704,814)	6,411,869	429,987	7,308,571
Non-controlling interests		(2,284)	(10,855)	-	-
		(707,098)	6,401,014	429,987	7,308,571
(Loss)/Earnings per share					
Basic (loss)/earnings per share (sen)	24	(0.06)	0.64		
Diluted (loss)/earnings per share (sen)	24	(0.06)	0.64		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2024

Group	Note	Attributable to owners of the parent					
		Non-distributable		Distributable			
		Share capital RM	Foreign currency translation reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
2024							
At 1 January 2024		8,000,000	(24,611)	52,227,565	60,202,954	65,350	60,268,304
Loss for the financial year		-	-	(711,329)	(711,329)	(2,284)	(713,613)
Other comprehensive income for the financial year:							
Foreign exchange translation reserve		-	6,515	-	6,515	-	6,515
Total comprehensive income/(loss) for the financial year		-	6,515	(711,329)	(704,814)	(2,284)	(707,098)
Transactions with owners:							
- Issuance of shares pursuant to Initial Public Offering	13	26,000,000	-	-	26,000,000	-	26,000,000
- Share issuance expenses	13	(1,250,603)	-	-	(1,250,603)	-	(1,250,603)
		24,749,397	-	-	24,749,397	-	24,749,397
At 31 December 2024		32,749,397	(18,096)	51,516,236	84,247,537	63,066	84,310,603
2023							
At 1 January 2023		8,000,000	(18,552)	45,809,637	53,791,085	76,205	53,867,290
Profit/(Loss) for the financial year		-	-	6,417,928	6,417,928	(10,855)	6,407,073
Other comprehensive loss for the financial year:							
Foreign exchange translation reserve		-	(6,059)	-	(6,059)	-	(6,059)
Total comprehensive (loss)/income for the financial year		-	(6,059)	6,417,928	6,411,869	(10,855)	6,401,014
At 31 December 2023		8,000,000	(24,611)	52,227,565	60,202,954	65,350	60,268,304

STATEMENTS OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2024
(CONT'D)

Company	Note	Non-distributable Share capital RM	Distributable Retained earnings RM	Total equity RM
2024				
At 1 January 2024		8,000,000	54,373,707	62,373,707
Profit for the financial year, representing total comprehensive income for the financial year		-	429,987	429,987
Transactions with owners:				
- Issuance of shares pursuant to Initial Public Offering	13	26,000,000	-	26,000,000
- Share issuance expenses	13	(1,250,603)	-	(1,250,603)
		24,749,397	-	24,749,397
At 31 December 2024		32,749,397	54,803,694	87,553,091
2023				
At 1 January 2023		8,000,000	47,065,136	55,065,136
Profit for the financial year, representing total comprehensive income for the financial year		-	7,308,571	7,308,571
At 31 December 2023		8,000,000	54,373,707	62,373,707

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities					
Profit before tax		3,521,628	9,681,248	4,527,357	10,440,684
Adjustments for:					
Amortisation of right-of-use assets		3,862,406	3,727,112	3,862,406	3,727,112
Depreciation of property, plant and equipment		1,635,104	1,025,309	1,631,752	1,021,577
Dividend income		-	-	(140,000)	-
Finance costs		4,329,442	3,628,144	4,051,688	3,156,169
(Gain)/Loss on disposal of property, plant and equipment		(9,999)	800	(9,999)	800
Impairment losses on amount due from subsidiary companies		-	-	37,354	37,010
Interest income		(388,965)	(6,053)	(1,063,999)	(540,132)
Loss on disposal of right-of-use assets		-	48,744	-	48,744
Loss/(Gain) on modification of lease terms		2,245	(930)	2,245	(930)
Reversal of impairment losses on amount due from subsidiary companies		-	-	(52,998)	-
Right-of-use assets written off		-	63,000	-	63,000
Unrealised loss/(gain) on foreign exchange		17,409	(49,020)	6,546	(40,868)
Operating profit before working capital changes		12,969,270	18,118,354	12,852,352	17,913,166
Changes in working capital:					
Inventories		7,002	187,099	7,002	187,099
Trade receivables		1,367,183	(964,772)	1,404,316	(902,475)
Other receivables		411,240	(2,384,415)	353,171	(2,168,553)
Trade payables		32,960	(351,632)	32,960	(342,434)
Other payables		5,875,888	(210,752)	5,935,581	(104,943)
Subsidiary companies		-	-	134,054	(52,857)
Cash generated from operations		20,663,543	14,393,882	20,719,436	14,529,003
Tax paid		(2,198,166)	(2,558,155)	(2,024,869)	(2,437,353)
Tax refunded		13,663	1,116	-	-
Net cash from operating activities		18,479,040	11,836,843	18,694,567	12,091,650

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(CONT'D)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from investing activities					
Acquisition of property, plant and equipment	4(b)	(2,368,393)	(5,534,927)	(2,368,393)	(5,534,927)
Acquisition of right-of-use assets	6(b)	(3,712,760)	(2,378,677)	(3,712,760)	(2,378,677)
Deposits paid for acquiring property, plant and equipment and right-of-use assets		(466,735)	(18,370)	(466,735)	(18,370)
Deposits paid for acquiring a subsidiary company		(2,070,000)	-	(2,070,000)	-
Dividend received		-	-	140,000	-
Interest received		388,965	6,053	1,063,999	540,132
Proceeds from disposal of property, plant and equipment		10,000	624	10,000	624
Proceeds from disposal of right-of-use assets		-	237,690	-	237,690
Net cash used in investing activities		(8,218,923)	(7,687,607)	(7,403,889)	(7,153,528)
Cash flows from financing activities					
Interest paid		(4,387,444)	(3,633,770)	(4,070,161)	(3,160,917)
Payments of lease liabilities	27	(5,968,915)	(5,721,123)	(5,968,915)	(5,721,123)
Payments of share issuance expenses	13	(1,250,603)	-	(1,250,603)	-
Proceeds from term loans	27	-	3,880,000	-	3,880,000
Proceeds from issuance of shares pursuant to Initial Public Offering	13	26,000,000	-	26,000,000	-
Repayment of term loans	27	(12,887,900)	(4,381,555)	(6,786,426)	(4,040,851)
Repayment to subsidiary companies	27	-	-	(7,450,308)	(1,801,602)
Net cash from/(used in) financing activities		1,505,138	(9,856,448)	473,587	(10,844,493)
Net increase/(decrease) in cash and cash equivalents		11,765,255	(5,707,212)	11,764,265	(5,906,371)
Cash and cash equivalents at the beginning of the financial year		10,148,700	15,808,853	8,798,458	14,663,517
Effect of exchange translation differences on cash and bank balances		(9,631)	47,059	(14)	41,312
Cash and cash equivalents at the end of the financial year		21,904,324	10,148,700	20,562,709	8,798,458
Cash and cash equivalents at the end of the financial year comprise:					
Cash and bank balances		21,904,324	10,148,700	20,562,709	8,798,458

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company are located at Lot 1928, Jalan Bukit Kemuning, 40460 Shah Alam, Selangor, Malaysia.

The principal activities of the Company consist of providing lorry transport services, hiring of trucks and warehousing/maintenance services. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities of the Company and of its subsidiary companies during the financial year.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

Standards issued but not yet effective

The Group and the Company have not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further noticed

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The Group and the Company intend to adopt the above new and amendments to MFRSs when they become effective.

The initial application of the above-mentioned new and amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company, except for MFRS 18 *Presentation and Disclosure in Financial Statements*. MFRS 18 will replace MFRS 101 *Presentation of Financial Statements*. It preserves the majority requirements of MFRS 101 while introducing additional requirements. In addition, narrow-scope amendments have been made to MFRS 107 S*tatement of Cash Flows* and some requirements of MFRS 101 have been moved to MFRS 108 *Basis of Preparation of Financial Statements*. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(c) Use of estimates and judgements

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

<u>Classification between investment properties and property, plant and equipment</u>

The Group has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased out separately), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property.

2. Basis of Preparation (Cont'd)

(c) Use of estimates and judgements (Cont'd)

Judgements (Cont'd)

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements: (Cont'd)

<u>Determining the lease term of contracts with renewal options - Group and Company as lessee</u>

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group and the Company have several lease contracts that include extension options. The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group and the Company include the renewal period as part of the lease term for leases of buildings with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

<u>Useful lives/depreciation of property, plant and equipment and investment properties and amortisation of right-of-use ("ROU") assets</u>

The Group and the Company regularly review the estimated useful lives of property, plant and equipment, investment properties and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, investment properties and ROU assets would increase the recorded depreciation/ amortisation and decrease the value of property, plant and equipment, investment properties and ROU assets.

The carrying amounts at the reporting date for property, plant and equipment, investment properties and ROU assets are disclosed in Notes 4, 5 and 6 respectively.

<u>Discount rate used in leases</u>

Where the interest rate implicit in the lease cannot be readily determined, the Group and the Company use the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group and the Company would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group and the Company estimate the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

2. Basis of Preparation (Cont'd)

(c) Use of estimates and judgements (Cont'd)

Key sources of estimation uncertainty (Cont'd)

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 December 2024, the Group has tax recoverable and tax payable of RM384,647 (2023: RM612,087) and RM1,766 (2023: RM27,967) respectively, the Company has tax recoverable of RM369,847 (2023: RM592,849).

3. Material Accounting Policy Information

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group and the Company, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

3. Material Accounting Policy Information (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

(ii) Changes in ownership interest in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

3. Material Accounting Policy Information (Cont'd)

(a) Basis of consolidation (Cont'd)

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised in the profit or loss on straight line basis to write off the cost of each asset to its residual value over its estimated useful life. Freehold land and capital work-in-progress are not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for its intended use.

Property, plant and equipment are depreciated based on the estimated annual depreciation rates of the assets as follows:

Freehold building	1%
Plant and machinery	10%
Furniture, fittings, office equipment and renovation	10% - 20%
Motor/Commercial vehicles	10%

(c) Leases

<u>As lessee</u>

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated annual depreciation rates of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Leasehold land and building	Over the remaining lease period
Buildings	Over the remaining lease term
Computer software and equipment	10%
Motor/Commercial vehicles	10%
Plant and machinery	10%

The ROU assets are subject to impairment.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

The Group and the Company apply the lease of low-value assets recognition exemption to lease of computer software and equipment that are considered to be low value.

3. Material Accounting Policy Information (Cont'd)

(d) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Freehold land is not depreciated.

(e) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include trade and other receivables, amount due from subsidiary companies, cash and bank balances and other investments.

(a) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- the financial assets are held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(b) Financial assets at fair value through other comprehensive income ("FVOCI")

Debt instruments

A debt security is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. Material Accounting Policy Information (Cont'd)

(e) Financial assets (Cont'd)

(b) Financial assets at fair value through other comprehensive income ("FVOCI") (Cont'd)

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in OCI on an investment-by-investment basis.

Financial assets categorised as FVOCI are subsequently measured at fair value, with unrealised gains and losses recognised directly in OCI and accumulated under fair value reserve in equity. For debt instruments, when the investment is derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses are never reclassified to profit or loss.

The Group and the Company have not designated any financial assets as FVOCI.

(c) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVOCI, are subject to impairment.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

3. Material Accounting Policy Information (Cont'd)

(f) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(g) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers.*

(h) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(i) Inventories

Spare parts and consumables inventories are stated at the lower of cost and net realisable value.

Cost of spare parts and consumables inventories comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3. Material Accounting Policy Information (Cont'd)

(j) Impairment of assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss ("FVTPL"). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have performed its assessment based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(k) Revenue and other income recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group and the Company satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group and the Company recognise revenue from rendering of services.

Revenue from services are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group and the Company, and the Group and the Company have a present right to payment for the services.

(ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(iv) Dividend income

Dividend income is recognised when the Company's right to receive payment is established.

(l) Statements of cash flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows. Cash and cash equivalents comprise cash and bank balances that are readily convertible into cash with insignificant risk of changes in value.

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4. Property, Plant and Equipment

Group	Freehold land RM	Freehold building RM	Plant and machinery RM	Furniture, fittings, office equipment and renovation RM	Motor/ Commercial vehicles RM	Capital work-in-progress RM	Total RM
2024							
Cost							
At 1 January 2024	14,652,526	30,757,265	3,665,571	6,427,472	34,058,578	10,750,891	100,312,303
Additions	-	148,488	74,710	198,409	2,169,830	27,040,000	29,631,437
Disposals	-	-	-	-	(150,250)	-	(150,250)
Transfer from right-of-use assets (Note 6)	-	-	-	156,505	1,131,610	-	1,288,115
Foreign currency translation differences	-	-	-	(1,163)	-	-	(1,163)
At 31 December 2024	14,652,526	30,905,753	3,740,281	6,781,223	37,209,768	37,790,891	131,080,442
Accumulated depreciation							
At 1 January 2024	-	2,195,586	2,669,880	4,725,879	30,970,427	-	40,561,772
Charge for the financial year	-	308,922	134,742	286,437	905,003	-	1,635,104
Disposals	-	-	-	-	(150,249)	-	(150,249)
Transfer from right-of-use assets (Note 6)	-	-	-	54,777	535,514	-	590,291
Foreign currency translation differences	-	-	-	(976)	-	-	(976)
At 31 December 2024	-	2,504,508	2,804,622	5,066,117	32,260,695	-	42,635,942
Carrying amount							
At 31 December 2024	14,652,526	28,401,245	935,659	1,715,106	4,949,073	37,790,891	88,444,500

4. Property, Plant and Equipment (Cont'd)

Group (Cont'd)	Freehold land RM	Freehold building RM	Plant and machinery RM	Furniture, fittings, office equipment and renovation RM	Motor/ Commercial vehicles RM	Capital work-in-progress RM	Total RM
2023							
Cost							
At 1 January 2023	14,652,526	29,816,218	3,628,621	5,699,685	28,277,758	-	82,074,808
Control transfer	-	-	-	-	501,315	-	501,315
Additions	-	941,047	36,950	780,128	119,611	10,750,891	12,628,627
Disposals	-	-	-	(52,815)	-	-	(52,815)
Transfer from right-of-use assets (Note 6)	-	-	-	-	5,159,894	-	5,159,894
Foreign currency translation differences	-	-	-	474	-	-	474
At 31 December 2023	14,652,526	30,757,265	3,665,571	6,427,472	34,058,578	10,750,891	100,312,303
Accumulated depreciation							
At 1 January 2023	-	1,890,557	2,533,313	4,533,289	26,773,751	-	35,730,910
Control transfer	-	-	-	-	501,315	-	501,315
Charge for the financial year	-	305,029	136,567	243,690	340,023	-	1,025,309
Disposals	-	-	-	(51,391)	-	-	(51,391)
Transfer from right-of-use assets (Note 6)	-	-	-	-	3,355,338	-	3,355,338
Foreign currency translation differences	-	-	-	291	-	-	291
At 31 December 2023	-	2,195,586	2,669,880	4,725,879	30,970,427	-	40,561,772
Carrying amount							
At 31 December 2023	14,652,526	28,561,679	995,691	1,701,593	3,088,151	10,750,891	59,750,531

4. Property, Plant and Equipment (Cont'd)

Company	Freehold land RM	Freehold building RM	Plant and machinery RM	Furniture, fittings, office equipment and renovation RM	Motor/ Commercial vehicles RM	Capital work-in-progress RM	Total RM
2024							
Cost							
At 1 January 2024	5,308,526	30,737,265	3,665,571	6,406,672	32,827,333	10,750,891	89,696,258
Additions	-	148,488	74,710	198,409	2,169,830	27,040,000	29,631,437
Disposals	-	-	-	-	(150,250)	-	(150,250)
Transfer from right-of-use assets (Note 6)	-	-	-	156,505	1,131,610	-	1,288,115
At 31 December 2024	5,308,526	30,885,753	3,740,281	6,761,586	35,978,523	37,790,891	120,465,560
Accumulated depreciation							
At 1 January 2024	-	2,195,303	2,669,880	4,707,985	29,739,619	-	39,312,787
Charge for the financial year	-	308,722	134,742	283,285	905,003	-	1,631,752
Disposals	-	-	-	-	(150,249)	-	(150,249)
Transfer from right-of-use assets (Note 6)	-	-	-	54,777	535,514	-	590,291
At 31 December 2024	-	2,504,025	2,804,622	5,046,047	31,029,887	-	41,384,581
Carrying amount							
At 31 December 2024	5,308,526	28,381,728	935,659	1,715,539	4,948,636	37,790,891	79,080,979

4. Property, Plant and Equipment (Cont'd)

Company	Freehold land RM	Freehold building RM	Plant and machinery RM	Furniture, fittings, office equipment and renovation RM	Motor/ Commercial vehicles RM	Capital work-in-progress RM	Total RM
2023							
Cost							
At 1 January 2023	5,308,526	29,796,218	3,628,621	5,679,359	27,547,828	-	71,960,552
Additions	-	941,047	36,950	780,128	119,611	10,750,891	12,628,627
Disposals	-	-	-	(52,815)	-	-	(52,815)
Transfer from right-of-use assets (Note 6)	-	-	-	-	5,159,894	-	5,159,894
At 31 December 2023	5,308,526	30,737,265	3,665,571	6,406,672	32,827,333	10,750,891	89,696,258
Accumulated depreciation							
At 1 January 2023	-	1,890,474	2,533,313	4,519,218	26,044,258	-	34,987,263
Charge for the financial year	-	304,829	136,567	240,158	340,023	-	1,021,577
Disposals	-	-	-	(51,391)	-	-	(51,391)
Transfer from right-of-use assets (Note 6)	-	-	-	-	3,355,338	-	3,355,338
At 31 December 2023	-	2,195,303	2,669,880	4,707,985	29,739,619	-	39,312,787
Carrying amount							
At 31 December 2023	5,308,526	28,541,962	995,691	1,698,687	3,087,714	10,750,891	50,383,471

NOTES TO THE FINANCIAL STATEMENTS
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(CONT'D)

4. Property, Plant and Equipment (Cont'd)

(a) Assets pledged as securities to financial institutions

The carrying amount of property, plant and equipment of the Group and of the Company pledged as securities for loans and borrowings as disclosed in Note 16 to the financial statements are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Freehold land	14,652,526	14,652,526	5,308,526	5,308,526
Freehold building	28,401,245	28,561,679	28,381,728	28,541,962
Capital work-in-progress	37,790,891	10,750,891	37,790,891	10,750,891
	80,844,662	53,965,096	71,481,145	44,601,379

(b) Acquisition of property, plant and equipment

The aggregate cost for the property, plant and equipment of the Group and of the Company acquired under loan financing, deposits paid and cash payments are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cost of property, plant and equipment acquired	29,631,437	12,628,627	29,631,437	12,628,627
Less: Loan financing	(27,254,214)	(6,760,000)	(27,254,214)	(6,760,000)
Less: Deposits paid	(8,830)	(333,700)	(8,830)	(333,700)
Cash payments	2,368,393	5,534,927	2,368,393	5,534,927

5. Investment Properties

	Group	
	2024 RM	2023 RM
Freehold land		
At cost		
At 1 January/31 December	12,625,277	12,625,277
Fair value of investment properties	12,750,000	12,750,000

Fair value of investment properties was estimated by Directors based on internal appraisal of market values of comparable properties. The fair values are within Level 3 of the fair value hierarchy.

<u>Investment properties pledged as securities to financial institutions</u>

Investment properties of the Group amounting to RM12,625,277 (2023: RM12,625,277) are pledged as securities for loans and borrowings as disclosed in Note 16 to the financial statements.

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(CONT'D)

6. Right-of-Use Assets

	Leasehold land and building RM	Buildings RM	Computer software and equipment RM	Motor/ Commercial vehicles RM	Plant and machinery RM	Total RM
Group and Company						
2024						
Cost						
At 1 January 2024	18,518,423	2,584,729	318,010	19,966,729	5,861,333	47,249,224
Additions	-	247,354	-	8,200,270	245,330	8,692,954
Modification of lease terms	-	(85,200)	-	-	-	(85,200)
Transfer to property, plant and equipment (Note 4)	-	-	(156,505)	(1,131,610)	-	(1,288,115)
At 31 December 2024	18,518,423	2,746,883	161,505	27,035,389	6,106,663	54,568,863
Accumulated amortisation						
At 1 January 2024	115,758	1,043,765	95,403	4,843,034	803,216	6,901,176
Charge for the financial year	199,275	923,862	23,976	2,112,805	602,488	3,862,406
Modification of lease terms	-	(35,500)	-	-	-	(35,500)
Transfer to property, plant and equipment (Note 4)	-	-	(54,777)	(535,514)	-	(590,291)
At 31 December 2024	315,033	1,932,127	64,602	6,420,325	1,405,704	10,137,791
Carrying amount						
At 31 December 2024	18,203,390	814,756	96,903	20,615,064	4,700,959	44,431,072

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
(CONT'D)

6. Right-of-Use Assets (Cont'd)

	Leasehold land and building RM	Buildings RM	Computer software and equipment RM	Motor/ Commercial vehicles RM	Plant and machinery RM	Total RM
Group and Company						
2023						
Cost						
At 1 January 2023	-	2,581,972	318,010	23,163,255	3,214,928	29,278,165
Additions	18,518,423	447,725	-	2,874,689	2,646,405	24,487,242
Derecognition arising from lease expiration	-	(362,603)	-	-	-	(362,603)
Disposals	-	-	-	(731,321)	-	(731,321)
Modification of lease terms	-	(82,365)	-	-	-	(82,365)
Transfer to property, plant and equipment (Note 4)	-	-	-	(5,159,894)	-	(5,159,894)
Written off	-	-	-	(180,000)	-	(180,000)
31 December 2023	18,518,423	2,584,729	318,010	19,966,729	5,861,333	47,249,224
Accumulated amortisation						
At 1 January 2023	-	591,687	63,602	6,463,292	403,027	7,521,608
Charge for the financial year	115,758	882,397	31,801	2,296,967	400,189	3,727,112
Derecognition arising from lease expiration	-	(362,603)	-	-	-	(362,603)
Disposals	-	-	-	(444,887)	-	(444,887)
Modification of lease terms	-	(67,716)	-	-	-	(67,716)
Transfer to property, plant and equipment (Note 4)	-	-	-	(3,355,338)	-	(3,355,338)
Written off	-	-	-	(117,000)	-	(117,000)
31 December 2023	115,758	1,043,765	95,403	4,843,034	803,216	6,901,176
Carrying amount						
At 31 December 2023	18,402,665	1,540,964	222,607	15,123,695	5,058,117	40,348,048

6. Right-of-Use Assets (Cont'd)

(a) The right-of-use assets of the Group and of the Company pledged as securities for the related lease liabilities as disclosed in Note 15 to the financial statements are as follows:

	Group and Company	
	2024	**2023**
	RM	**RM**
Computer software and equipment	96,903	222,607
Motor/Commercial vehicles	20,615,064	15,123,695
Plant and machinery	4,700,959	5,058,117
	25,412,926	20,404,419

(b) Acquisition of right-of-use assets

The aggregate cost for the right-of-use assets of the Group and of the Company acquired under lease financing, loan financing, deposits paid and cash payments are as follows:

	Group and Company	
	2024	**2023**
	RM	**RM**
Cost of right-of-use assets acquired	8,692,954	24,487,242
Less: Lease financing	(4,980,194)	(5,450,565)
Less: Loan financing	-	(14,850,000)
Less: Deposits paid	-	(1,808,000)
Cash payments	3,712,760	2,378,677

(c) Assets pledged as securities to financial institutions

The carrying amount of right-of-use assets of the Group and of the Company pledged as securities for loans and borrowings as disclosed in Note 16 to the financial statements are as follows:

	Group and Company	
	2024	**2023**
	RM	**RM**
Leasehold land and building	18,203,390	18,402,665

(d) The remaining period of the lease term of the right-of-use assets are as follows:

	Group and Company	
	2024	**2023**
	RM	**RM**
Leasehold land and building	92 years	93 years

(e) The Group and the Company lease several buildings with lease terms ranging from 2 to 6 years (2023: 2 to 6 years). These leases include options to extend the agreements upon expiry, subject to mutual agreement with the lessors.

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7. Investment in Subsidiary Companies

	Company 2024 RM	Company 2023 RM
In Malaysia:		
Unquoted shares, at cost	546,626	546,626
Outside Malaysia:		
Unquoted shares, at cost	5,556	5,556
Less: Accumulated impairment losses	(5,556)	(5,556)
	-	-
	546,626	546,626

Movements in the allowance for impairment losses of the investment in subsidiary companies are as follows:

	Company 2024 RM	Company 2023 RM
At 1 January/31 December	5,556	5,556

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest 2024 %	Effective interest 2023 %	Principal activities
Bayan Berjasa Sdn. Bhd.	Malaysia	100	100	Provision of trucking and land transportation services
Sin-Kung Bonded Warehouse Sdn. Bhd.	Malaysia	70	70	Provision of trucking, land transportation and warehouse services
Sin Kung Ecommerce Logistics Sdn. Bhd.	Malaysia	90	90	Courier services, line haul transportation, land transportation and transportation agent
Sin-Kung Logistics (HK) Limited #	Hong Kong	100	100	Investment holding
Sin-Kung Property Management Sdn. Bhd.	Malaysia	100	100	Investment holding
Sin-Kung Fleet Management Sdn. Bhd.	Malaysia	100	100	Provision of drivers

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7. Investment in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest 2024 %	2023 %	Principal activities
Held through Sin-Kung Logistics (HK) Limited				
Shanghai Shuntong International Freight Forwarding Co. Ltd. *	Shanghai/ People's Republic of China	100	100	Logistics and freight forwarding

\# *Subsidiary companies not audited by UHY Malaysia PLT.*

* *Management accounts had been used for the purpose of consolidation. These subsidiary companies are currently dormant or inactive.*

8. Other Investments

	Group and Company 2024 RM	2023 RM
Non-current		
<u>Financial assets measured at fair value through profit or loss</u>		
Quoted shares in Malaysia	5,000	5,000

The quoted shares above are classified as Level 1 and the fair value measurement are derived from quoted prices (unadjusted) in active market for identical assets.

9. Inventories

	Group and Company 2024 RM	2023 RM
Spare parts and consumables	2,911,594	2,918,596
Recognised in profit or loss:		
Inventories recognised as cost of sales	671,481	683,315

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10. Trade Receivables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade receivables:				
- Third parties	6,612,232	7,985,947	6,508,785	7,919,633

Trade receivables are non-interest bearing and the normal credit terms are ranged from 7 to 90 days (2023: 7 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The aging analysis of trade receivables as at the end of each reporting period are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Neither past due nor impaired	4,886,954	6,243,479	4,816,102	6,191,038
Past due but not impaired:				
Less than 30 days	1,614,940	1,581,694	1,582,345	1,567,821
31 to 60 days	104,026	127,616	104,026	127,616
More than 60 days	6,312	33,158	6,312	33,158
	1,725,278	1,742,468	1,692,683	1,728,595
	6,612,232	7,985,947	6,508,785	7,919,633

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group and the Company.

As at 31 December 2024, trade receivables of the Group of RM1,725,278 (2023: RM1,742,468) and of the Company of RM1,692,683 (2023: RM1,728,595) were past due but not impaired. These related to a number of independent customers from whom there is no recent history of default.

11. Other Receivables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables	257,232	340,277	13	118,273
Deposits	3,227,590	671,674	3,297,770	656,204
Prepayments	2,564,607	2,913,179	2,564,607	2,913,179
	6,049,429	3,925,130	5,862,390	3,687,656

Included in the deposits of the Group and of the Company are RM532,105 (2023: RM74,200) paid for the acquisition of property, plant and equipment and right-of-use assets, and RM2,070,000 (2023: RM Nil) paid for the acquisition of a subsidiary company. The details of the subsidiary company acquisition are disclosed in Note 31 to the financial statements.

The related commitments for the acquisition of property, plant and equipment, right-of-use assets and a subsidiary company are disclosed in Note 26 to the financial statements.

12. Amount Due From/(To) Subsidiary Companies

	Note	Company 2024 RM	Company 2023 RM
Amount due from subsidiary companies			
Non-interest bearing			
Trade related	(a)	33,000	26,100
Non-trade related	(b)	274,612	293,101
Interest bearing			
Non-trade related	(c)	26,316,204	18,847,407
		26,623,816	19,166,608
Less: Accumulated impairment losses		(274,613)	(290,257)
		26,349,203	18,876,351
Amount due to subsidiary companies			
Non-interest bearing			
Trade related	(d)	318,327	177,373

Movements in the allowance for impairment losses of the amount due from subsidiary companies are as follows:

	Company 2024 RM	Company 2023 RM
At 1 January	290,257	253,247
Impairment losses recognised	37,354	37,010
Impairment losses reversed	(52,998)	-
At 31 December	274,613	290,257

Reversal of impairment losses on amount due from subsidiary companies was due to collection from the subsidiary companies previously provided for doubtful debts.

(a) The amount due from subsidiary companies are non-interest bearing and the normal credit terms is 30 days (2023: 30 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(b) The amount due from subsidiary companies are non-interest bearing, unsecured and repayable on demand.

(c) The amount due from subsidiary companies are unsecured, bear interest rate at 3% (2023: 3%) per annum and repayable on demand.

(d) The amount due to subsidiary companies are non-interest bearing and the normal credit terms granted to the Company is 30 days (2023: 30 days), depending on the term of contracts.

13. Share Capital

	Group and Company			
	Number of shares		Amount	
	2024 Units	2023 Units	2024 RM	2023 RM
Ordinary shares issued and fully paid:				
At 1 January	1,000,000,000	1,000,000,000	8,000,000	8,000,000
Issuance of shares pursuant to Initial Public Offering	200,000,000	-	26,000,000	-
Listing expenses attributable to Initial Public Offering	-	-	(1,250,603)	-
At 31 December	1,200,000,000	1,000,000,000	32,749,397	8,000,000

During the financial year, the Company increased its issued and paid-up share capital from RM8,000,000 to RM34,000,000 by way of an issuance of 200,000,000 new ordinary shares at an issue price of RM0.13 per ordinary share for cash.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

14. Reserves

The nature of reserves of the Group and of the Company is as follows:

(a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. Translation reserve is not available for distribution to shareholders.

(b) Retained earnings

The entire retained earnings of the Company is available for distribution as single-tier dividends. Under the single-tier system of taxation, dividends payable to shareholders are deemed net of income taxes. There are no potential income tax consequences that would result from the payment of dividends to shareholders.

15. Lease Liabilities

	Group and Company 2024 RM	2023 RM
At 1 January	17,781,032	18,067,169
Additions	4,980,194	5,450,565
Modification of lease terms	(47,455)	(15,579)
Accretion of interest (Note 21)	1,035,795	1,055,816
Payments of principal	(5,968,915)	(5,721,123)
Payments of interest expense	(1,035,795)	(1,055,816)
At 31 December	16,744,856	17,781,032
Presented as:		
Non-current	10,947,457	12,061,338
Current	5,797,399	5,719,694
	16,744,856	17,781,032
The maturity analysis of lease liabilities of the Group and of the Company at the end of the reporting period:		
Minimum lease payments:		
Within one year	6,688,283	6,669,953
Later than one year and not later than two years	5,406,525	5,477,247
Later than two years and not later than five years	6,506,807	7,687,903
	18,601,615	19,835,103
Less: Future finance charges	(1,856,759)	(2,054,071)
Present value of minimum lease payments	16,744,856	17,781,032
Present value of minimum lease payments:		
Within one year	5,797,399	5,719,694
Later than one year and not later than two years	4,850,000	4,863,667
Later than two years and not later than five years	6,097,457	7,197,671
	16,744,856	17,781,032

The Group and the Company lease various buildings, computer software and equipment, motor/commercial vehicles and plant and machinery. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

As at 31 December 2024, the carrying amount of RM15,881,047 (2023: RM16,189,255) is under hire purchase arrangement and is secured by computer software and equipment, motor/commercial vehicles and plant and machinery of the Group and of the Company as disclosed in Note 6 to the financial statements.

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15. Lease Liabilities (Cont'd)

The average effective interest rates per annum are as follows:

	Group and Company	
	2024	**2023**
	%	**%**
Lease liabilities	3.80 - 7.65	3.80 - 7.65

16. Loans and Borrowings

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Secured				
Term loans	69,156,831	54,848,519	69,156,831	48,707,516
Analysed as:				
Non-current				
Term loans	65,375,010	49,727,306	65,375,010	43,952,309
Current				
Term loans	3,781,821	5,121,213	3,781,821	4,755,207
	69,156,831	54,848,519	69,156,831	48,707,516

The term loans are secured by the following:

(i) First party legal charge over the freehold and leasehold lands and buildings as disclosed in Notes 4, 5 and 6 to the financial statements;

(ii) Existing Deed of Assignment over the rights, titles and interests over the capital work-in-progress as disclosed in Note 4 to the financial statements;

(iii) Joint and several guarantee by certain Directors;

(iv) Corporate guarantee by the former holding company, Prefered Advantage Sdn. Bhd.;

(v) Corporate guarantee by a shareholder of the Company, Lille Management Sdn. Bhd.;

(vi) Guarantee from Syarikat Jaminan Pembiayaan Perniagaan Berhad for RM2,400,000 under Pemulih Government Guarantee Scheme; and

(vii) Credit Level Term Assurance (CLTA) without Money Back Protector (MBP) of total premium not exceeding of RM380,000 to cover insured a director for 15 years and insurance policy is to be assigned to the financial institution.

16. Loans and Borrowings (Cont'd)

The average effective interest rates per annum are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	%	**%**	**%**	**%**
Term loans	4.86 - 8.20	4.86 - 8.20	4.86 - 8.20	4.86 - 8.20

17. Deferred Tax Liabilities

	Group and Company	
	2024	**2023**
	RM	**RM**
At 1 January	3,828,098	2,796,947
Recognised in profit or loss	1,185,764	1,104,250
Under/(Over) provision in prior years	663,735	(73,099)
At 31 December	5,677,597	3,828,098

The components and movements of deferred tax liabilities and assets are as follows:

	Property, plant and equipment RM	**Right-of-use assets RM**	**Lease liabilities RM**	**Total RM**
Group and Company				
Deferred tax liabilities				
At 1 January 2024	3,840,292	369,832	(382,026)	3,828,098
Recognised in profit or loss	1,185,342	(174,290)	174,712	1,185,764
Under provision in prior years	663,735	-	-	663,735
At 31 December 2024	5,689,369	195,542	(207,314)	5,677,597
At 1 January 2023	2,804,653	508,632	(516,338)	2,796,947
Recognised in profit or loss	1,109,625	(107,837)	102,462	1,104,250
(Over)/Under provision in prior years	(73,986)	(30,963)	31,850	(73,099)
At 31 December 2023	3,840,292	369,832	(382,026)	3,828,098

The amounts of temporary differences for which no deferred tax assets have been recognised are as follows:

	Group	
	2024	**2023**
	RM	**RM**
Unutilised tax losses	127,984	72,782

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

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18. Trade Payables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables:				
- Third parties	219,341	186,381	219,341	186,381

Trade payables are non-interest bearing and the normal credit terms granted to the Group and the Company ranged from 3 to 120 days (2023: 3 to 120 days), depending on the term of contracts.

19. Other Payables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables	5,897,324	138,297	5,884,604	137,436
Deposits received	47,097	95,650	47,097	10,000
Accruals	1,312,660	1,145,068	1,026,461	875,145
	7,257,081	1,379,015	6,958,162	1,022,581

Included in other payables of the Group and of the Company is an amount of RM5,478,000 (2023: RM Nil) related to the acquisition of property, plant and equipment and right-of-use assets.

20. Revenue

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contracts with customers:				
Rendering of services				
- Trucking services	40,631,559	37,575,001	39,999,960	37,279,207
- Container haulage services	5,390,165	4,939,719	5,390,165	4,939,719
- Other logistics related services	1,246,323	1,291,020	1,161,181	1,193,489
Revenue from other sources:				
Warehouse income	6,891,100	8,178,048	6,891,100	8,178,048
Hiring of trucks income	-	-	1 01,600	1 29,300
	54,159,147	51,983,788	53,544,006	51,719,763

The timing of revenue recognition is at a point in time for the revenue from contracts with customers.

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21. Finance Costs

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expenses of financial liabilities not at fair value through profit or loss:				
- Term loans	3,293,647	2,568,730	3,015,893	2,096,755
- Lease liabilities	1,035,795	1,055,816	1,035,795	1,055,816
- Others	-	3,598	-	3,598
	4,329,442	3,628,144	4,051,688	3,156,169

22. Profit Before Tax

Profit before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration:				
- Statutory audits				
- UHY Malaysia PLT	90,000	43,500	56,500	35,000
- Other auditors	11,514	9,549	-	-
- Other services				
- UHY Malaysia PLT	138,600	-	138,600	-
Amortisation of right-of-use assets	3,862,406	3,727,112	3,862,406	3,727,112
Depreciation of property, plant and equipment	1,635,104	1,025,309	1,631,752	1,021,577
Dividend income	-	-	(140,000)	-
(Gain)/Loss on foreign exchange:				
- realised	(4,885)	(193)	(4,885)	(193)
- unrealised	17,409	(49,020)	6,546	(40,868)
(Gain)/Loss on disposal of property, plant and equipment	(9,999)	800	(9,999)	800
Impairment losses on amount due from subsidiary companies	-	-	37,354	37,010
Interest income	(388,965)	(6,053)	(1,063,999)	(540,132)
Lease expenses relating to low value assets:				
- computer software and equipment	10,674	126,886	10,674	126,886
Lease expenses relating to short-term leases:				
- buildings	1,831	1,962	1,831	-
- motor vehicles	75,739	112,030	93,739	135,430
Loss on disposal of right-of-use assets	-	48,744	-	48,744
Loss/(Gain) on modification of lease terms	2,245	(930)	2,245	(930)
Non-executive Directors' remunerations:				
- fees	188,000	180,000	188,000	180,000
- other emoluments	93,900	88,023	93,900	88,023
Rental income	(5,500)	(4,500)	(5,500)	(4,500)
Reversal of impairment losses on amount due from subsidiary companies	-	-	(52,998)	-
Right-of-use assets written off	-	63,000	-	63,000

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23. Taxation

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Tax expenses recognised in profit or loss:				
Current tax				
- Current financial year	578,758	645,678	440,429	503,439
- Under provision in prior years	1,806,984	1,597,346	1,807,442	1,597,523
	2,385,742	2,243,024	2,247,871	2,100,962
Deferred tax				
- Origination and reversal of temporary differences	1,185,764	1,104,250	1,185,764	1,104,250
- Under/(Over) provision in prior years	663,735	(73,099)	663,735	(73,099)
	1,849,499	1,031,151	1,849,499	1,031,151
	4,235,241	3,274,175	4,097,370	3,132,113

Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated assessable profits for the financial year.

A reconciliation of income tax expenses applicable to profit before tax at the statutory tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Profit before tax	3,521,628	9,681,248	4,527,357	10,440,684
At Malaysian statutory tax rate of 24% (2023: 24%)	845,191	2,323,500	1,086,566	2,505,764
Expenses not deductible for tax purposes	1,335,187	538,396	1,010,685	286,426
Income not subject to tax	(37,069)	(9,808)	(37,069)	(9,808)
Investment tax allowance	(433,989)	(1,174,693)	(433,989)	(1,174,693)
Deferred tax assets not recognised	55,202	72,533	-	-
	1,764,522	1,749,928	1,626,193	1,607,689
Under provision of income tax expense in prior years	1,806,984	1,597,346	1,807,442	1,597,523
Under/(Over) provision of deferred tax in prior years	663,735	(73,099)	663,735	(73,099)
	4,235,241	3,274,175	4,097,370	3,132,113

23. Taxation (Cont'd)

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendments to Section 44(5F) of Income Tax Act 1967, the time limit of the carried forward unutilised tax losses has been extended to maximum of 10 consecutive years of assessment. This amendment is deemed to have effect from the year of assessment 2019 and subsequent years of assessment.

Any unutilised business losses brought forward from year of assessment 2018 can be carried forward for another 10 consecutive years of assessment (i.e. from year of assessments 2019 to 2028).

The Group has estimated unutilised tax losses carried forward, available to set-off against future taxable profit as follows:

	Group	
	2024	**2023**
	RM	**RM**
Unutilised tax losses, expiring on:		
- year assessment 2032	1,038	1,038
- year assessment 2033	302,222	302,222
- year assessment 2034	230,005	-
	533,265	303,260

24. (Loss)/Earnings Per Share

(a) Basic (loss)/earnings per share

The basic (loss)/earnings per share are calculated based on the consolidated (loss)/earnings for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2024	**2023**
	RM	**RM**
(Loss)/Earnings attributable to owners of the parent	(711,329)	6,417,928
Weighted average number of ordinary shares in issue		
Issued ordinary shares at 1 January	1,000,000,000	1,000,000,000
Effect of ordinary shares issued during the financial year	126,575,342	-
Weighted average number of ordinary shares at 31 December	1,126,575,342	1,000,000,000
Basic (loss)/earnings per ordinary share (in sen)	(0.06)	0.64

(b) Diluted (loss)/earnings per share

The Group has no dilution in their (loss)/earnings per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorisation of these financial statements.

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25. Staff Costs

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, wages and other emoluments	15,620,342	14,152,329	9,831,771	9,164,060
Defined contribution plans	1,300,498	1,219,131	1,056,009	991,405
Social security contribution	141,189	129,772	105,086	96,149
	17,062,029	15,501,232	10,992,866	10,251,614

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Group and of the Company as below:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive Directors				
Salaries and other emoluments	1,791,400	1,806,900	1,729,000	1,744,500
Defined contribution plans	232,882	234,897	224,770	226,785
Social security contribution	4,763	4,588	3,651	3,476
	2,029,045	2,046,385	1,957,421	1,974,761
Estimated value of benefit-in-kind	59,600	59,600	59,600	59,600
	2,088,645	2,105,985	2,017,021	2,034,361

26. Commitments

(a) Capital expenditure

	Group and Company RM
2024	
Authorised and contracted for:	
Freehold land and building	30,420,000
Motor/Commercial vehicles	270,000
A subsidiary company	18,630,000
Authorised but not contracted for:	
Motor/Commercial vehicles	2,944,820
	52,264,820

26. Commitments (Cont'd)

(a) Capital expenditure (Cont'd)

	Group and Company RM
2023	
Authorised and contracted for:	
Freehold land and building	57,460,000
Authorised but not contracted for:	
Plant and machinery	245,000
Motor/Commercial vehicles	1,307,130
	59,012,130

(b) Investment in subsidiary companies

In the Articles of Association of its subsidiary company, Shanghai Shuntong International Freight Forwarding Co. Ltd., Sin-Kung Logistics (HK) Limited, a subsidiary company of the Company, has committed to contribute RMB3,000,000 (equivalent to HKD3,190,880; which also equivalent to RM1,839,300) as the registered capital into Shanghai Shuntong International Freight Forwarding Co. Ltd. within 30 years from the date of incorporation on 16 November 2017, i.e. not later than 15 November 2047. No contribution has been made up to the date of this report.

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27. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	At 1 January 2024 RM	Financing cash flows (i) RM	Non-cash changes: Modification of lease terms (Note 15) RM	Non-cash changes: New lease (Note 15) RM	Non-cash changes: Other changes (ii) RM	At 31 December 2024 RM
Group						
Lease liabilities (Note 15)	17,781,032	(5,968,915)	(47,455)	4,980,194	-	16,744,856
Term loans (Note 16)	54,848,519	(12,887,900)	-	-	27,196,212	69,156,831
	72,629,551	(18,856,815)	(47,455)	4,980,194	27,196,212	85,901,687

	At 1 January 2023 RM	Financing cash flows (i) RM	Non-cash changes: Modification of lease terms (Note 15) RM	Non-cash changes: New lease (Note 15) RM	Non-cash changes: Other changes (ii) RM	At 31 December 2023 RM
Group						
Lease liabilities (Note 15)	18,067,169	(5,721,123)	(15,579)	5,450,565	-	17,781,032
Term loans (Note 16)	33,745,700	(501,555)	-	-	21,604,374	54,848,519
	51,812,869	(6,222,678)	(15,579)	5,450,565	21,604,374	72,629,551

27. Reconciliation of Liabilities Arising from Financing Activities (Cont'd)

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

			Non-cash changes			
	At 1 January 2024 RM	Financing cash flows (i) RM	Modification of lease terms (Note 15) RM	New lease (Note 15) RM	Other changes (ii) RM	At 31 December 2024 RM
Company						
Amount due from subsidiary companies (Note 12)	(19,140,508)	(7,450,308)	-	-	-	(26,590,816)
Lease liabilities (Note 15)	17,781,032	(5,968,915)	(47,455)	4,980,194	-	16,744,856
Term loans (Note 16)	48,707,516	(6,786,426)	-	-	27,235,741	69,156,831
	47,348,040	(20,205,649)	(47,455)	4,980,194	27,235,741	59,310,871

			Non-cash changes			
	At 1 January 2023 RM	Financing cash flows (i) RM	Modification of lease terms (Note 15) RM	New lease (Note 15) RM	Other changes (ii) RM	At 31 December 2023 RM
Company						
Amount due from subsidiary companies (Note 12)	(17,338,906)	(1,801,602)	-	-	-	(19,140,508)
Lease liabilities (Note 15)	18,067,169	(5,721,123)	(15,579)	5,450,565	-	17,781,032
Term loans (Note 16)	27,263,115	(160,851)	-	-	21,605,252	48,707,516
	27,991,378	(7,683,576)	(15,579)	5,450,565	21,605,252	47,348,040

Note:

(i) The financing cash flows from amount due from subsidiary companies, lease liabilities and term loans make up the net amount of proceeds from or repayments or payments of borrowings in the statements of cash flows.

(ii) Other changes include interest payable and loan financing for acquisition of property, plant and equipment and right-of-use assets.

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28. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Company	
	2024	**2023**
	RM	**RM**
(i) Transactions with subsidiary companies		
- Courier services paid and payable	813	1,575
- Courier services received and receivable	-	2,500
- Dividend income	140,000	-
- Hiring of trucks paid and payable	18,000	23,400
- Hiring of trucks received and receivable	101,600	129,300
- Interest income	677,417	536,735
- Manpower supply paid and payable	6,910,543	6,293,117
- Transportation charges paid and payable	-	180

(c) Compensation of key management personnel

The total compensation of the Group's and of the Company's Executive Directors and other key management personnel compensation for the financial year are as follow:

	Group		**Company**	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Executive Directors				
- Salaries and other emoluments	1,791,400	1,806,900	1,729,000	1,744,500
- Defined contribution plans	232,882	234,897	224,770	226,785
- Social security contribution	4,763	4,588	3,651	3,476
	2,029,045	2,046,385	1,957,421	1,974,761
Estimated value of benefit-in-kind	59,600	59,600	59,600	59,600
	2,088,645	2,105,985	2,017,021	2,034,361

29. Segmental Information

Segmental information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure.

(a) Business segment

The principal businesses of the Group are carrying on the business of providing lorry transport services, hiring of trucks and warehousing/maintenance services which are substantially within a single business segment. As such, segmental reporting by business segment is deemed not necessary.

(b) Geographical segment

The Group's operations are principally carried out in Malaysia. In determining the geographical segment of the Group, services rendered are based on the country in which the customer is located.

The Group's revenue by geographical market is as follows:

	Group	
	2024	**2023**
	RM	**RM**
Malaysia	28,723,435	28,116,359
Overseas		
- Asia	145,070	332,386
- Europe	4,043,471	4,160,312
- Middle East	4,088,166	3,185,616
- People's Republic of China ("PRC")	2,813,882	1,456,539
- Singapore	14,016,585	14,173,232
- Others	328,538	559,344
	25,435,712	23,867,429
	54,159,147	51,983,788

(c) Major customers

Revenue from major customers with revenue equal or more than 10% of the Group's revenue are as follows:

	Group	
	2024	**2023**
	RM	**RM**
Customer A	8,363,715	8,781,908
Customer B	6,681,353	6,578,022
	15,045,068	15,359,930

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30. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Financial assets				
Financial assets at fair value through profit or loss:				
Other investments	5,000	5,000	5,000	5,000
Financial assets at amortised cost:				
Trade receivables	6,612,232	7,985,947	6,508,785	7,919,633
Other receivables (excluding prepayments)	3,484,822	1,011,951	3,297,783	774,477
Amount due from subsidiary companies	-	-	26,349,203	18,876,351
Cash and bank balances	21,904,324	10,148,700	20,562,709	8,798,458
	32,006,378	19,151,598	56,723,480	36,373,919
Financial liabilities				
Financial liabilities at amortised cost:				
Lease liabilities	16,744,856	17,781,032	16,744,856	17,781,032
Loans and borrowings	69,156,831	54,848,519	69,156,831	48,707,516
Trade payables	219,341	186,381	219,341	186,381
Other payables	7,257,081	1,379,015	6,958,162	1,022,581
Amount due to subsidiary companies	-	-	318,327	177,373
	93,378,109	74,194,947	93,397,517	67,874,883

(b) Net (gain)/loss arising from financial instruments

	Company	
	2024 RM	**2023 RM**
Net (gain)/loss on impairment of financial instruments:		
<u>Financial assets at amortised cost</u>		
Impairment losses on amount due from subsidiary companies	37,354	37,010
Reversal of impairment losses on amount due from subsidiary companies	(52,998)	-
	(15,644)	37,010

30. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, other receivables and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from its receivables from customers, other receivables, loans and advances to subsidiary companies, deposits with banks and financial institutions and financial guarantees given to financial institutions for banking facilities granted to a subsidiary company. There are no significant changes as compared to prior periods.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to subsidiary companies. The Company also provides unsecured financial guarantees to financial institutions for banking facilities granted to a subsidiary company. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

At each reporting date, the Group and the Company assess whether any if the receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk in relation to financial assets except for financial guarantees provided to financial institutions for banking facilities granted to a subsidiary company.

The Company's maximum exposure in this respect is RM Nil (2023: RM6,141,003), representing the outstanding banking facilities to the subsidiary company at the end of the reporting period. There was no indication that the subsidiary company would default on repayment as at the end of the reporting period.

There are no significant changes as compared to previous financial years.

The Group's and the Company's major concentration of credit risk related to the amount owing by 1 customer (2023: 1 customer) and 1 customer (2023: 1 customer) which constituted approximately 19% (2023: 11%) and 20% (2023: 11%) of its trade receivables as at the end of reporting date respectively.

30. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company finance its liquidity through internally generated cash flows and minimise liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group						
2024						
Financial liabilities						
Lease liabilities	6,688,283	5,406,525	6,506,807	-	18,601,615	16,744,856
Loans and borrowings	5,618,556	5,437,658	11,892,675	57,643,848	80,592,737	69,156,831
Trade payables	219,341	-	-	-	219,341	219,341
Other payables	7,257,081	-	-	-	7,257,081	7,257,081
	19,783,261	10,844,183	18,399,482	57,643,848	106,670,774	93,378,109
2023						
Financial liabilities						
Lease liabilities	6,669,953	5,477,247	7,687,903	-	19,835,103	17,781,032
Loans and borrowings	7,903,473	7,470,972	17,318,163	39,092,986	71,785,594	54,848,519
Trade payables	186,381	-	-	-	186,381	186,381
Other payables	1,379,015	-	-	-	1,379,015	1,379,015
	16,138,822	12,948,219	25,006,066	39,092,986	93,186,093	74,194,947

30. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Company						
2024						
Financial liabilities						
Lease liabilities	6,688,283	5,406,525	6,506,807	-	18,601,615	16,744,856
Loans and borrowings	5,618,556	5,437,658	11,892,675	57,643,848	80,592,737	69,156,831
Trade payables	219,341	-	-	-	219,341	219,341
Other payables	6,958,162	-	-	-	6,958,162	6,958,162
Amount due to subsidiary companies	318,327	-	-	-	318,327	318,327
	19,802,669	10,844,183	18,399,482	57,643,848	106,690,182	93,397,517
2023						
Financial liabilities						
Lease liabilities	6,669,953	5,477,247	7,687,903	-	19,835,103	17,781,032
Loans and borrowings	7,084,017	6,651,516	14,859,795	34,228,067	62,823,395	48,707,516
Trade payables	186,381	-	-	-	186,381	186,381
Other payables	1,022,581	-	-	-	1,022,581	1,022,581
Amount due to subsidiary companies	177,373	-	-	-	177,373	177,373
Financial guarantee liabilities *	6,141,003	-	-	-	6,141,003	-
	21,281,308	12,128,763	22,547,698	34,228,067	90,185,836	67,874,883

* Based on the maximum amount that can be called for under the financial guarantee contract.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
(CONT'D)

30. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The Company provides unsecured financial guarantees to financial institutions for banking facilities granted to a subsidiary company and monitors on an ongoing basis the performance of the subsidiary company. At end of the financial year, there was no indication that the subsidiary company would default on repayment.

The maximum amount of the financial guarantees issued to the financial institutions for subsidiary company's loans and borrowings is limited to the amount utilised by the subsidiary company, amounting to RM Nil (2023: RM6,141,003). At the end of the financial year, there was no indication that the subsidiary company would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiary company defaulting on its credit facilities is remote.

(iii) Market risk

(a) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), Renminbi ("RMB"), Hong Kong Dollar ("HKD"), Euro ("EUR") and Thai Baht ("THB").

The Group and the Company have not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group and the Company will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

30. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(a) Foreign currency risk (Cont'd)

The carrying amounts of the Group's and the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in						
	USD RM	SGD RM	RMB RM	HKD RM	EUR RM	THB RM	Total RM
Group and Company							
2024							
Trade receivables	64,583	36,548	-	-	12,466	-	113,597
Cash and bank balances	423,558	155,509	2,302	4,720	32,972	1,976	621,037
	488,141	192,057	2,302	4,720	45,438	1,976	734,634
2023							
Trade receivables	45,774	5,671	-	-	39,959	-	91,404
Cash and bank balances	192,561	23,621	2,351	4,752	51,309	2,008	276,602
	238,335	29,292	2,351	4,752	91,268	2,008	368,006

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024
(CONT'D)

30. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(a) Foreign currency risk (Cont'd)

Foreign currency risk arises from the Group entities which have a RM functional currency. The exposure to currency risk of the Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

The following table demonstrates the sensitivity of the Group's and the Company's profit before tax to a reasonably possible change in the USD, SGD, RMB, HKD, EUR and THB exchange rates against RM, with all other variables held constant.

		Group and Company Effect on profit before tax	
		2024 RM	**2023 RM**
Change in currency rate			
USD	Strengthened 10%	48,814	23,834
	Weakened 10%	(48,814)	(23,834)
SGD	Strengthened 10%	19,206	2,929
	Weakened 10%	(19,206)	(2,929)
RMB	Strengthened 10%	230	235
	Weakened 10%	(230)	(235)
HKD	Strengthened 10%	472	475
	Weakened 10%	(472)	(475)
EUR	Strengthened 10%	4,544	9,127
	Weakened 10%	(4,544)	(9,127)
THB	Strengthened 10%	198	201
	Weakened 10%	(198)	(201)

(b) Interest rate risk

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group and the Company manage its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitor its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

30. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fixed rate instruments				
Financial assets				
Amount due from subsidiary companies	-	-	26,316,204	18,847,407
Financial liabilities				
Lease liabilities	16,744,856	17,781,032	16,744,856	17,781,032
Floating rate instruments				
Financial liabilities				
Loans and borrowings	69,156,831	54,848,519	69,156,831	48,707,516

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/ (decreased) the Group's and the Company's profit before tax by RM691,568 and RM691,568 (2023: RM548,485 and RM487,075) respectively, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Fair values of financial instruments

The carrying amounts of short term receivables and payables, cash and cash equivalents and short term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

The carrying amounts of the long term borrowings at the reporting date reasonably approximate their fair values.

30. Financial Instruments (Cont'd)

(d) Fair values of financial instruments (Cont'd)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				Total	Carrying
	Level 1	Level 2	Level 3	Total	fair value	amount
	RM	RM	RM	RM	RM	RM
Group and Company						
2024						
Financial assets						
Other investments	5,000	-	-	5,000	5,000	5,000
2023						
Financial assets						
Other investments	5,000	-	-	5,000	5,000	5,000

30. Financial Instruments (Cont'd)

(d) Fair values of financial instruments (Cont'd)

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

<u>Non-derivative financial instruments</u>

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

31. Significant Events

On 2 October 2024, the Company has entered into a conditional Share Sale Agreement (the "SSA") with Tan Sri Dato' Halim Bin Mohammad and Puan Sri Datin Mazmin Binti Noordin (collectively, the "Vendors") in relation to the acquisition of the entire equity interest in Prima Air Sdn. Bhd. for total purchase consideration of RM20,700,000 (the "Acquisition"), of which a deposit of RM2,070,000 has been paid by the Company as of 31 December 2024 for the Acquisition. The Acquisition has not been completed as of 31 December 2024, as the Conditions Precedent outlined in the SSA have not yet been fulfilled by the Company and the Vendors.

On 17 February 2025, all Conditions Precedent were fulfilled by the Company and the Vendors. As a result, the SSA became unconditional on the same date, and the Acquisition was completed on 13 March 2025, following the full settlement of the balance purchase consideration to the Vendors.

32. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	Group	
	2024 **RM**	**2023** **RM**
Lease liabilities (Note 15)	16,744,856	17,781,032
Loans and borrowings (Note 16)	69,156,831	54,848,519
Total debts	85,901,687	72,629,551
Total equity	84,310,603	60,268,304
Gearing ratio (times)	1.02	1.21

There were no changes in the Group's approach to capital management during the financial year.

33. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 21 April 2025.

LIST OF PROPERTIES

Postal address	Description of property / Existing use	Land area / Built-up area sq ft	Approximately Age of the Buidling/ Tenure	Date of purchase	Audited NBV as at 31 December 2024 RM'000
Lot 1928, Jalan Bukit Kemuning, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia held under No. Hakmilik GRN 54428, Lot 15840, Mukim Klang, Daerah Klang, Negeri Selangor.	5-storey office and single storey warehouse / Headquarter office and warehouse	128,628.7 / 86,136.7	21 years / Freehold	16 October 2003	16,092
No.1498, Jalan Bukit Tengah, Kawasan Perusahaan Bukit Tengah, 14000 Bukit Mertajam, Penang.	2-storey office and single storey warehouse / Bukit Mertajam branch office and warehouse	122,202.7 / 60,667.2	5 years / Freehold	19 December 2019	14,519
Lot 183096, Jalan Sungai Chandong 22/KS 11, Taman Perindustrian Pulau Indah Fasa 3A, 42920 Pelabuhan Klang, Selangor.	A single storey warehouse and 2-storey office with 1 unit of guard house / Port Klang branch office and warehouse	72,237.1 / 43,066.4	1 year / Leasehold expiring on 30 October 2116	6 January 2023	18,203
H.S.(D) 40167, Lot No. 5948, Mukim 11, Daerah Seberang Perai Tengah, Negeri Pulau Pinang.	Vacant land / Vacant	177,163.2 / Not applicable	Not applicable / Freehold	19 December 2019	9,364

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

The Company was listed on the ACE Market Bursa Malaysia Securities Berhad on 15 May 2024. In conjunction with the listing, the Company undertook a public issue of 1,200,000,000 new ordinary shares at an issue price of RM0.13 per share, raising gross proceeds of RM26.00 million. The status of the utilisation of the gross proceeds as at 31 December 2024 is as follows:

Purpose	**Estimated Timeframe for Utilisation**	**Amount (RM'000)**	**Utilisation Amount (RM'000)**	**Unutilised Balance (RM'000)**
Expenses of warehousing and distribution services	Within 36 months	10,020	-	10,020
Repayment of bank borrowings	Within 12 months	9,630	9,630	-
Purchase of commercial vehicles	Within 24 months	2,000	359	1,641
Working capital	Within 12 months	1,050	1,050	-
Estimated listing expenses	Within 1 month	3,300	3,300	-
Total		26,000	14,339	11,661

MATERIAL CONTRACTS

There were no material contracts entered into by the Group during the financial year ending 31 December 2024 ("**FYE2024**") involving the interests of the Directors and major shareholders.

CONTRACT RELATED TO LOANS

There were no material contracts relating to loans entered into by the Group during FYE2024 involving Directors and major shareholders.

RECURRENT RELATED PARTY TRANSACTIONS

The details of the recurrent related party transactions are disclosed in the notes of the financial statements in this Annual Report.

ANALYSIS OF SHAREHOLDINGS
AS AT 2 APRIL 2025

Issued Share Capital	:	1,200,000,000
Class of Shares	:	Ordinary Shares
Voting Rights	:	One Vote Per Ordinary Share
No. of Shareholders	:	2,249

DISTRIBUTION OF SHAREHOLDINGS AS AT 2 APRIL 2025

Category	No. of Shareholders	No. of Shares	% of Shareholding
Less than 100	0	0	0.00
100 - 1,000	405	159,900	0.01
1,001 - 10,000	737	4,647,000	0.39
10,001 - 100,000	845	33,554,700	2.80
100,001 to less than 5% of issued shares	259	267,638,400	22.30
5% and above of issued shares	3	894,000,000	74.50
Total	**2,249**	**1,200,000,000**	**100.00**

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 2 APRIL 2025

		Direct		Indirect	
No.	**Names**	**No. of Shares**	**%**	**No. of Shares**	**%**
1	Alan Ong Lay Wooi	357,600,000	29.80	-	-
2	Lille Management Sdn. Bhd.	357,600,000	29.80	-	-
3	Angeline Ong Lay Shee	178,800,000	14.90	357,600,000[(a)]	29.80
4	Adeline Ong Lay Suen	-	-	357,600,000[(a)]	29.80
5	Ameline Ong Lay Ling	-	-	357,600,000[(a)]	29.80
6	Alex Ong Lay Ming	-	-	357,600,000[(a)]	29.80

(a) Deemed interested by virtue of Section 8(4)(c) of the Companies Act 2016 via his/her interest in Lille Management Sdn. Bhd.

DIRECTORS' INTERESTS IN SHARES AS 2 APRIL 2025

		Direct		Indirect	
No.	**Names**	**No. of Shares**	**%**	**No. of Shares**	**%**
1	Dato' Haji Abdul Wahabi Bin Abdullah	50,000	0.00	-	-
2	Adam Muralidharan Bin Abdullah	500,000	0.04	-	-
3	Adeline Ong Lay Suen	-	-	357,600,000[(a)]	29.80
4	Alan Ong Lay Wooi	357,600,000	29.80	-	-
5	Angeline Ong Lay Shee	178,800,000	14.90	357,600,000[(a)]	29.80
6	Lee Lean Suan	2,350,000	0.20	-	-
7	Datuk Md Hassim Bin Pardi	2,500,000	0.21	-	-
8	Dato' Ir. Haji Mohamad Bin Dalib	50,000	0.00	-	-
9	Tan Soo Mooi	400,000	0.03	-	-

Note:

(a) Deemed interested by virtue of Section 8(4)(c) of the Companies Act 2016 via his/her interest in Lille Management Sdn Bhd.

ANALYSIS OF SHAREHOLDINGS
AS AT 2 APRIL 2025
(CONT'D)

30 LARGEST SHAREHOLDERS AS AT 2 APRIL 2025

NO.	SHAREHOLDERS	NO. OF SHARES	%
1	ALAN ONG LAY WOOI	357,600,000	29.80
2	LILLE MANAGEMENT SDN. BHD.	357,600,000	29.80
3	ANGELINE ONG LAY SHEE	178,800,000	14.90
4	KEJAYA KAYA SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LER PEI FEN	26,703,400	2.23
5	KEJAYA KAYA SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR JEFFERY DING CHOON YONG	26,028,200	2.17
6	OCTOWILL TRUSTEES BERHAD FOR PROVEN VENTURE CAPITAL PLT	18,546,000	1.55
7	KEJAYA KAYA SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM YUET CHOON	8,813,300	0.73
8	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEOH HAI HIN (M01)	8,633,900	0.72
9	CITY EXOTIC SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE SOD HWA	7,512,100	0.63
10	PHILLIP NOMINEES (TEMPATAN) SDN BHD OCTOWILL TRUSTEES BERHAD FOR PROVEN VENTURE CAPITAL PLT	7,048,000	0.59
11	KEJAYA KAYA SDN. BHD.	6,318,400	0.53
12	SUCHDAV A/L JOTISROOP	6,230,900	0.52
13	KEJAYA KAYA SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YAYASAN CENDEKIAWAN MELAYU BARU	5,887,500	0.49
14	KEJAYA KAYA SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ER KIAN HONG	5,505,600	0.46
15	CITY EXOTIC SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YONG SIEW YEE	4,964,500	0.41
16	WONG SUE CHUAN	3,911,100	0.33
17	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR KAU YONG MING	3,846,200	0.32
18	JAN KEVIN VAN DORT	3,723,000	0.31
19	CITY EXOTIC SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE BOON SZE	3,105,000	0.26
20	TEH CHUAN HOCK	3,018,700	0.25
21	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DOH TEE LEONG	3,000,000	0.25
22	LIM LENG CHOO	2,529,200	0.21
23	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM GAIK ENG (LIM4779C)	2,500,000	0.21
24	MD HASSIM BIN PARDI	2,500,000	0.21
25	LEE LEAN SUAN	2,350,000	0.20
26	HO KIM FONG	2,300,000	0.19
27	LIM OOI YUNG	2,138,000	0.18
28	TAN SOW CHAN	2,128,000	0.18
29	NGOK CHIN CHYE	2,000,000	0.17
30	NG CHIN HOE	1,910,000	0.16
	TOTAL	**1,067,151,000**	**88.93**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Sixth Annual General Meeting ("**26th AGM**") of Sin-Kung Logistics Berhad ("**SKL**" or "**Company**") will be held at 1st Floor, Permai Ballroom, Kota Permai Golf & Country Club, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia on Monday, 16 June 2025 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolutions:

AGENDA

AS ORDINARY BUSINESS

1.	To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with Reports of the Directors' and the Auditors' thereon.	**Please refer to Explanatory Note 1**
2.	To approve the payment of additional Directors' remuneration to Non-Executive Directors of the Company and its subsidiaries amounting to RM231,500.00 for the period from 16 April 2024 to 16 June 2025.	**Ordinary Resolution 1**
3.	To approve the Directors' Fees and Benefits Payable to the Non-Executive Directors of the Company and its subsidiaries amounting to RM400,000.00 until the next Annual General Meeting of the Company.	**Ordinary Resolution 2**
4.	To re-elect the following Directors, who are retiring pursuant to Clause 95 of the Constitution of the Company and being eligible, offer themselves for re-election:	
	i. Adeline Ong Lay Suen	**Ordinary Resolution 3**
	ii. Adam Muralidharan bin Abdullah	**Ordinary Resolution 4**
	iii. Dato' Haji Abdul Wahabi bin Abdullah	**Ordinary Resolution 5**
5.	To re-appoint Messrs UHY Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	**Ordinary Resolution 6**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications, the following resolutions:

6. **AUTHORITY TO ALLOT AND ISSUE SHARES BY THE DIRECTORS AND WAIVER OF PRE-EMPTIVE RIGHTS PURSUANT TO THE COMPANIES ACT 2016** — **Ordinary Resolution 7**

"THAT pursuant to Section 75 and Section 76 of the Companies Act 2016, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total issued shares/total number of voting shares of the Company (excluding treasury shares) at the time of issue.

THAT pursuant to Section 85 of the Companies Act 2016 approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued Company's shares arising from any issuance of new Company's shares pursuant to Section 75 and Section 76 of the Companies Act 2016.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

7. To transact any other business that may be transacted at the 26th AGM of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

ANG CHEE HWAI (MAICSA 7030659) (SSM PC NO. 201908000009)
CHIN WAI YI (MAICSA 7069783) (SSM PC NO. 202008004409)
Company Secretaries

Kuala Lumpur
Dated : 30 April 2025

Explanatory Notes on Ordinary and Special Businesses:

1. Item 1 of the Agenda

This item is meant for discussion only as the provisions of Section 340 of the Companies Act 2016, it does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

2. Items 4(i), (ii) and (iii) of the Agenda

The Nominating and Remuneration Committee ("**NRC**") have considered the performance and contribution of each of the retiring Directors. Based on the results of the Board Evaluation conducted for the financial year ended 31 December 2024, the performance of each of the retiring Directors was found to be satisfactory. In addition, each of the retiring Directors had provided their annual declaration/confirmation on their fitness and propriety as well as independence, where applicable.

Based on the recommendation of the NRC, the Board supports the re-election of the Directors based on the following justifications:

Adeline Ong Lay Suen	:	Adeline Ong Lay Suen is responsible for overseeing SKL and its subsidiaries ("**the Group**")'s warehouse division including managing matters related to customer enquiries, preparation of quotations, negotiation of pricing and terms with customers, accomodation of customers' special requests and overall warehousing operations. Adeline Ong Lay Suen has exercised her due care and carried out her professional duties proficiently during her tenure as Director of the Company.
Adam Muralidharan bin Abdullah	:	Adam Muralidharan bin Abdullah fulfils the requirements of independence set out in Listing Requirements of Bursa Securities. He remains objective and independent in expressing his view and participating in Board's deliberations and decision-making process. Adam Muralidharan bin Abdullah has exercised his due care and carried out his professional duties proficiently during his tenure as Independent Non-Executive Director of the Company.

Dato' Haji Abdul Wahabi bin Abdullah	:	Dato' Haji Abdul Wahabi bin Abdullah fulfils the requirements of independence set out in Listing Requirements of Bursa Securities. He remains objective and independent in expressing his view and participating in Board's deliberations and decision-making process. Dato' Haji Abdul Wahabi bin Abdullah has exercised his due care and carried out his professional duties proficiently during his tenure as Independent Non-Executive Director of the Company.

3. Item 6 of the Agenda

The Ordinary Resolution 7 proposed under item 6 of the Agenda is to seek a new general mandate to empower the Directors of the Company pursuant to the Companies Act 2016, from the date of the above Meeting, to issue and allot ordinary shares of not more than ten percent (10%) for such purposes as the Directors of the Company consider would be in the best interest of the Company. This authority will, unless revoked or varied at a General Meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/diversification proposals involves the allotment of new shares, the Directors, under certain circumstance when the opportunity arises, would have to convene a general meeting to approve the allotment of new shares even though the number involved may be less than 10% of the issued share capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such allotment of shares, it is thus considered appropriate that the Directors be empowered to allot shares in the Company, up to any amount not exceeding in total 10% of the issued share capital of the Company at the time of submission to the authority. The new authority will provide flexibility to the Company for the allotment of shares for the purpose of funding future investment, working capital and/or acquisitions. This authority, unless revoked or varied at a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

Notes:

1. *The 26th AGM of the Company will be held at 1st Floor, Permai Ballroom, Kota Permai Golf & Country Club, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia on Monday, 16 June 2025 at 10.00 a.m. or at any adjournment thereof.*

2. *A member of the Company who is entitled to attend, speak and vote at this 26th AGM may appoint proxy(ies) to attend, speak and vote on his(her) behalf. A proxy may but need not be a member of the Company, and a member may appoint any person to be his(her) proxy without limitation.*

3. *Where a member appoints more than one (1) proxy to attend and vote at the same 26th AGM, the appointment shall be invalid unless he(she) specifies the proportion of his(her) holdings to be represented by each proxy.*

4. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("**SICDA**"), he(she) may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.*

5. *Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

   An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

6. *The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.*

7. *The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia or in the case of electronic appointment, the Proxy Form must be electronically lodged via TIIH Online at https://tiih.online, not less than forty eight (48) hours before the time appointed for holding the 26th AGM (no later than Saturday, 14 June 2025 at 10.00 a.m.) or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.*

8. *The right of foreigners to vote in respect of deposited securities is subject to Sections 41(1)(e) and 41(2) of the Securities Industry (Central Depositories) Act, 1991; the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and the Constitution of the Company.*

9. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 10 June 2025 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this 26th AGM.*

10. *Any alteration in the Proxy Form must be initialed.*

11. *Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Securities, all the resolution set out in the Notice of 26th AGM will be put to the vote by poll.*

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 26th AGM and/ or any adjournment thereof, a member of the Company:
(i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 26th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 26th AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
(ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and
(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty

SINKUNG

World Without Boundaries

SIN-KUNG LOGISTICS BERHAD

Registration No.: 199401035432 (321115-P)

PROXY FORM

Number of Shares Held	
CDS Account No.	

I/We, ______________________________ NRIC/Passport No. ______________________

(FULL NAME IN BLOCK LETTERS)

of ____

(FULL ADDRESS)

contact no. ____________ email address ________________ being a member / members of **Sin-Kung Logistics Berhad** ("**Company**") hereby appoint the person(s) below as my/our proxy(ies) to vote for me/us and on my/our behalf at the Twenty Sixth Annual General Meeting of the Company ("**26th AGM**") which will held at 1st Floor, Permai Ballroom, Kota Permai Golf & Country Club, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia on Monday, 16 June 2025 at 10.00 a.m. or at any adjournment thereof.

IMPORTANT NOTE:

Please (i) tick [√] either **ONE** of the option (a) or (b) for the number of proxy which you wish to appoint, (ii) complete the details of your proxy/proxies and the proportion of your shareholding to be represented (if applicable), (iii) please tick [√] option (c) if you would like to appoint the Chairman of the 26th AGM as the proxy or failing the proxy to vote on your behalf and (iv) sign or execute this form.

Option		Name of proxy(ies)	NRIC/ Passport No.	Email Address & Phone Number	Proportion of shareholding to be represented
(a)		**Appoint ONE proxy only** (Please complete details of proxy below)			
					100%
(b)		**Appoint MORE THAN ONE proxy** (Please complete details of proxies below)			
Proxy 1					%
Proxy 2					%
					100%
(c)		**The Chairman of the 26th AGM as my/our proxy and/or failing the above proxy to vote for me/us on my/our behalf**			

*My/our *proxy/proxies shall vote as follows :-

Please indicate with an "X" in the space provided below how you wish your votes to be casted. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain forvoting at his(her) discretion.

NO.	RESOLUTIONS	FOR		AGAINST	
	Ordinary Business	**PROXY 1**	**PROXY 2**	**PROXY 1**	**PROXY 2**
Ordinary Resolution 1	To approve the payment of additional Directors' remuneration to Non-Executive Directors of the Company and its subsidiaries amounting to RM231,500.00 for the period from 16 April 2024 to 16 June 2025.				
Ordinary Resolution 2	To approve the Directors' Fees and Benefits Payable to the Non-Executive Directors of the Company and its subsidiaries amounting to RM400,000.00 until the next Annual General Meeting of the Company.				
Ordinary Resolution 3	To re-elect Adeline Ong Lay Suen as Director in accordance with Clause 95 of the Constitution of the Company.				
Ordinary Resolution 4	To re-elect Adam Muralidharan bin Abdullah as Director in accordance with Clause 95 of the Constitution of the Company.				
Ordinary Resolution 5	To re-elect Dato' Haji Abdul Wahabi bin Abdullah as Director in accordance with Clause 95 of the Constitution of the Company.				
Ordinary Resolution 6	To re-appoint Messrs UHY Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.				
	Special Business				
Ordinary Resolution 7	Authority to allot and issue shares by the Directors and waiver of pre-emptive rights pursuant to the Companies Act 2016.				

Dated this ______ day of ____________ 2025

____

Signature / Common Seal of Shareholder

Contact No: ____________________

Notes:

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(ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and
(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.