

SINKUNG

— WORLD WITHOUT BOUNDARIES —



WORLD WITHOUT BOUNDARIES



— ANNUAL REPORT —
2025

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



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27TH

ANNUAL GENERAL MEETING



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.



12 June 2026,
Friday



10.00 a.m.



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. In 2025, our operations were expanded to include air cargo services, private jet charter services, aircraft management services, and also aircraft maintenance, repair and overhaul (“MRO”) services.



CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SOO MOOI

Independent Non-Executive
Chairwoman

ALAN ONG LAY WOOL

Group Managing Director Cum
Chief Executive Officer

**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

Group Executive Director Cum
Chief Information Officer

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 No. : 03 -5122 5000

Fax No. : 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
(LLPO041391-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 No. : 03-2279 3088

Fax No. : 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 No. : 03-2783 9299

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)

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%

**SIN-KUNG AIRWAYS SDN. BHD.
(FORMERLY KNOWN AS
PRIMA AIR SDN. BHD.)**
Registration No.: 198601005603 (154763-W)

100%

**SHANGHAI SHUNTONG
INTERNATIONAL FREIGHT
FORWARDING CO LTD**
(Unified Social Credit Code.: 91310115MA1K3XXU98)

100%

**SIN KUNG ECOMMERCE
LOGISTICS SDN. BHD.**
Registration No.: 201401020054 (1096140-A)

90%

SIN-KUNG LEASING PTE LTD.
Registration No.: LL21776

100%

**SIN-KUNG BONDED
WAREHOUSE SDN. BHD.**
Registration No.: 198301001754 (96990-H)

70%

PROFILE OF DIRECTORS

TAN SOO MOOI

Independent Non-Executive Chairwoman



Age	:	58
Nationality	:	Malaysian
Gender	:	Female
Date of Appointment	:	13 August 2022
Board Committee Membership	:	None

Academic / Professional Qualification(s):

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:

1. Tek Seng Holdings Berhad
2. Butterfield FB Berhad
3. EMPG Group 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 WOUI

Group Managing Director cum
Chief Executive Officer

Age	:	42
Nationality	:	Malaysian
Gender	:	Male
Date of Appointment	:	11 February 2003
Board Committee Membership	:	None

Academic / Professional Qualification(s):

STPM, Sekolah Menengah Kebangsaan Datok Lokman

Working Experience:

Mr. Alan Ong Lay Woui (“**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. Mr. Alan was officially approved by the Civil Aviation Authority of Malaysia (“**CAAM**”) in 2025 as the Post Holder for the Accountable Manager at Sin-Kung Airways Sdn. Bhd. (formerly known as Prima Air Sdn. Bhd.).

He was redesignated as Group Managing Director cum Chief Executive Officer in 2025, 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 and Adeline Ong Lay Suen, the Executive Directors of SKL and 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.
2. 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

DATUK MD HASSIM BIN PARDI

Non-Independent Non-Executive Director



Age	:	73
Nationality	:	Malaysian
Gender	:	Male
Date of Appointment	:	30 November 2021
Board Committee Membership	:	None

Academic / Professional Qualification(s):

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.

Other Directorship In Public Companies and Listed Issuers:

JAG 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

ANGELINE ONG LAY SHEE

Group Executive Director cum
Chief Information Officer



Age	:	36
Nationality	:	Malaysian
Gender	:	Female
Date of Appointment	:	18 April 2013
Board Committee Membership	:	None

Academic / Professional Qualification(s):

SPM, Sekolah Menengah Kebangsaan Datok Lokman, Kuala Lumpur

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.

In 2025, Ms. Angeline was redesignated as Group Executive Director cum Chief Information Officer.

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 Group Managing Director cum Chief Executive Officer of SKL.
2. Sister to Adeline Ong Lay Suen, the Executive Director of SKL and 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.
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

ADELINE ONG LAY SUEN

Executive Director



Age	:	35
Nationality	:	Malaysian
Gender	:	Female
Date of Appointment	:	12 August 2022
Board Committee Membership	:	None

Academic / Professional Qualification(s):

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 Group Managing Director cum Chief Executive Officer of SKL.
2. Sister to Angeline Ong Lay Shee, the Group Executive Director cum Chief Information Officer of SKL and 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.
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

**DATO' HAJI ABDUL WAHABI
BIN ABDULLAH**

Independent Non Executive Director



Age : 63
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 Qualification(s):

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

**DATO' IR. HAJI MOHAMAD
BIN DALIB**

Independent Non-Executive Director



Age : 67
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 Qualification(s):

Bachelor of Engineering (Manufacturing Engineering) from University of Sunderland, United Kingdom

Working Experience:

Dato' Ir. Hj Mohamad bin Dalib ("Dato' Ir. 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

**ADAM MURALIDHARAN
BIN ABDULLAH**

Independent Non-Executive Director



Age : 59
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 Qualification(s):

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, he 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

LEE LEAN SUAN

Independent Non-Executive Director

**LEE LEAN SUAN**

Independent Non-Executive Director

Age : 58
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 Qualification(s):

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

Group Chief Operating Officer of Sin-Kung Logistics Berhad (“SKL”)

Age	: 33
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**”). Furthermore, she spearheaded the Group’s achievement in obtaining the Good Distribution Practice (“**GDP**”) certification in March 2025, further solidifying the Group’s commitment to international operational standards.

In 2025, Ms. Ameline was redesignated as Group Chief Operating Officer.

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 Group Managing Director cum Chief Executive Officer of SKL.
2. Sister to Angeline Ong Lay Shee and Adeline Ong Lay Suen, the Executive Directors of SKL and 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.
3. Sister to 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

KEY SENIOR MANAGEMENT

SEE AI LIAN

Financial Controller of SKL

Age	: 31
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. She is currently responsible for overseeing our Group’s finance and accounting divisions which include preparation of financial and management reports, taxation, financial planning and forecast.

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

Nil

Any other convictions (aside from traffic offence):

Nil

KEY SENIOR MANAGEMENT

ONG YIT HWA

Deputy General Manager (Northern Region)

Age	: 53
Nationality	: Malaysian
Gender	: Male
Date of Appointment	: 1 January 2022

Academic / Professional Qualification(s):

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

Nil

Any other convictions (aside from traffic offence):

Nil

KEY SENIOR MANAGEMENT

AZRUL HISHAM BIN DATO' ABDUL WAHAB

Chief Operating Officer of Sin-Kung Airways Sdn. Bhd. (formerly known as Prima Air Sdn. Bhd.)

Age	: 50
Nationality	: Malaysian
Gender	: Male
Date of Appointment	: 1 April 2025

Academic / Professional Qualification(s):

1. Diploma in Marketing, Chartered Institute of Marketing (CIM) UK
2. Bachelor of Laws, University of Sheffield

Working Experience:

Mr. Azrul Hisham Bin Dato' Abdul Wahab is responsible for leading Sin-Kung Airways Sdn. Bhd. (formerly known as Prima Air Sdn. Bhd.)'s strategic direction and operational management. He oversees daily business operations with a focus on strategic planning to optimize profitability and drive sustainable growth. Additionally, he is responsible for enhancing organizational efficiency through the implementation of improved business protocols and serves as the primary liaison with key regulatory agencies, including the Civil Aviation Authority of Malaysia ("CAAM") and the Ministry of Transport.

He began his career in January 2011 when he joined Baltic Aviation Academy as Country Manager (South East Asia Region). In this role, he was responsible for regional business development, branding, and marketing strategies, while sourcing new business prospects within the airline and flight training sectors. In March 2013, he moved to Bumi Aviation Sdn Bhd as a Director, where he provided advisory services to the Board on Malaysian aviation regulations and business planning.

In June 2014, he joined MyJet Xpress Airlines Sdn Bhd (formerly known as Neptune Air Sdn Bhd) as Deputy Chief Executive Officer. In 2015, he was seconded to Executive Jet Asia (EJA). He was appointed as Director of MyJet Xpress Sdn. Bhd. in 2017 and subsequently assumed the role of Chief Executive Officer and Accountable Manager in 2019. During his tenure, he was responsible for the strategic growth of the business, establishing harmonious board relations, and ensuring operational efficiency.

He was subsequently appointed as Director of MyJet Xpress Airlines Sdn Bhd, a position he held until November 2022. Throughout his eight-year leadership, he focused on infusing sustainability into day-to-day operations and ensuring strict compliance with aviation safety and quality assurance standards. MyJet Xpress was awarded as one of the Top 5 Cargo Airlines 2022 by Changi Airport Group, Singapore.

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

KEY SENIOR MANAGEMENT

WAN CHUN CHOONG

Operation Director of Sin Kung Ecommerce Logistics Sdn. Bhd.

Age : 51
Nationality : Malaysian
Gender : Male
Date of Appointment : 3 August 2017

Academic / Professional Qualification(s):

1. Bachelor's Degree (Hons) in Computer Science, Inti International University & Colleges / Coventry University
2. Diploma in Computer Science / Information Technology, Informatics College

Working Experience:

Mr. Wan Chun Choong ("**Mr. Albert**") is responsible for leading the Group's E-Commerce Logistics and Express divisions. He oversees the entire operational lifecycle, from shipment pickup and sorting to last mile delivery and ensuring seamless service execution.

Leveraging his extensive technical background, Mr. Albert maintains and optimizes the Group's proprietary courier management platform, ensuring that technological infrastructure effectively supports daily operational processes. His role also encompasses strategic vendor management, where he is responsible for sourcing and managing local outstation delivery partners and international service providers to expand the Group's global express reach.

Furthermore, he serves as the Group's principal liaison with the Malaysian Communications and Multimedia Commission ("**MCMC**"). In this capacity, he ensures the Group remains in full compliance with postal and courier regulations, overseeing the maintenance of operating licenses and the timely submission of all periodic regulatory reports.

Prior to formal employment in SKL, Mr. Albert served as the Group I.T. Manager for Kangaroo Worldwide Express for over 14 years, where he oversaw the daily IT operations and strategic infrastructure rollout for 25 branches across Malaysia. His core expertise includes the development and maintenance of proprietary management systems, server administration, hardware and software procurement.

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:

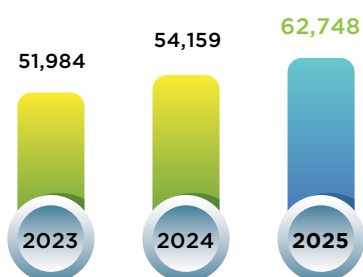
Nil

FINANCIAL HIGHLIGHT

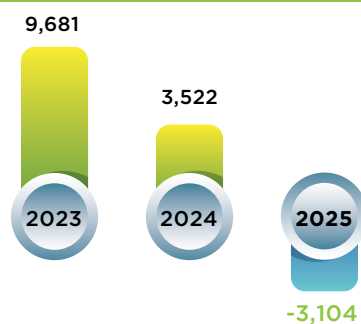
Financial Year Ended 31 December ("FYE")	2023 RM'000	2024 RM'000	2025 RM'000
Revenue	51,984	54,159	62,748
Profit Before Tax	9,681	3,522	-3,104
Profit Attributable to Owners of the Company	6,418	-711	-4,546
Total Assets	138,319	183,368	259,293
Total Equity	60,268	84,311	79,777
Basics Earnings per Share ("EPS") (sen)	0.64	⁽¹⁾ -0.06	⁽¹⁾ -0.38

⁽¹⁾ 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 reflect the enlarged number of shares.

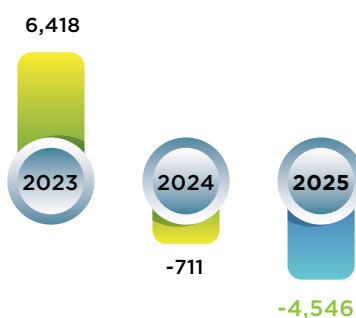
REVENUE (RM'000)



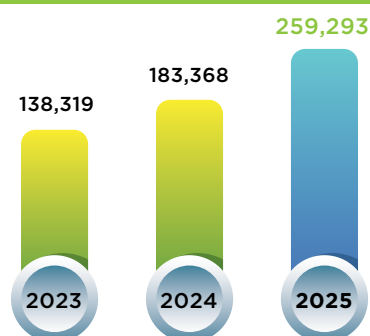
Profit Before Tax (RM'000)



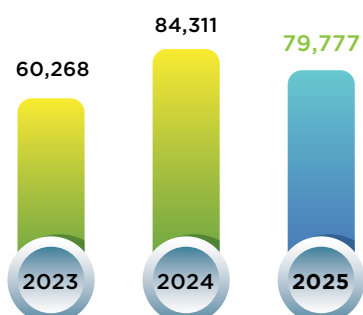
Profit Attributable to Owners of the Company (RM'000)



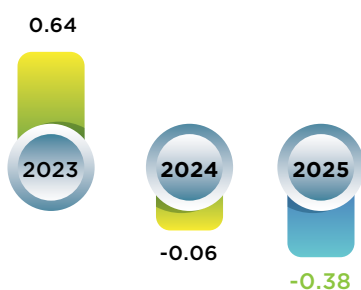
Total Assets (RM'000)



Total Equity (RM'000)



Basic EPS (Sen)



MANAGEMENT DISCUSSION & ANALYSIS

Dear Valued Shareholders,

On behalf of the Board of Directors of SINKUNG (or “the Group”), I am pleased to present our Management Discussion and Analysis for the financial year ended 31 December 2025 (“FY2025”). This section provides insights into our financial and operational performance, key achievements, risk management approach, as well as our outlook for the year ahead.

Global Economic Overview

At SINKUNG, we prioritise good corporate governance practices, including board independence, ethical The global economy in 2025 was resilient despite ongoing trade tensions and policy uncertainty. Growth held up over the year as inflation eased and financial conditions improved.

As inflation moderated across most major economies, consumption and business activity became more consistent. With demand stabilising, economic conditions gradually moved towards a more balanced footing.

In this environment, global trade was a steady driver of growth. Trade in goods and services expanded faster than global gross domestic product (“GDP”), spurred by steady demand and policy support in key economies. Earlier import activity ahead of anticipated policy changes also contributed to this performance. At the same time, shifts in global trade became more visible. Investment in digital infrastructure continued to rise, while demand for Artificial Intelligence (“AI”)-related goods influenced production patterns. These changes reflect a broader transition towards technology-driven industries.

However, growth remained uneven across regions. Advanced economies saw relatively stable performance, while many emerging markets faced structural challenges. Asia remained the main contributor to global trade growth.

INDUSTRY OVERVIEW

The Global Logistics Landscape

The global logistics sector operated against a backdrop of resilient trade activity in 2025. With the expansion of trade volumes, demand for transportation and warehousing stayed steady. This was aided by sustained demand in emerging markets and policy intervention in advanced economies. Earlier import activity ahead of expected trade policy changes also contributed to overall trade momentum.

Investment in digital infrastructure is also reshaping how logistics networks are structured. Companies are adopting more technology to manage increasingly complex and time-sensitive supply chains.

Across regions, performance remained uneven. Asia contributed the largest share of trade growth, while ongoing tariff developments influenced sourcing decisions. These developments drove demand for logistics services, particularly in warehousing and cross-border transportation.

Malaysia: A Positive Operating Environment

The logistics and transportation sector continue to play an important role in Malaysia’s economy, facilitating trade and industrial activity.

Against this backdrop, Malaysia’s economy expanded by 5.2% in 2025, marking its strongest growth in three years. This growth was largely driven by domestic demand, underpinned by steady household

MANAGEMENT DISCUSSION & ANALYSIS

spending. Investment activity also stayed firm across both private and public sectors. Capital expenditure in machinery and digital infrastructure, meanwhile, contributed to higher demand for logistics services across transportation and warehousing.

External demand also improved during the year. Exports of electrical and electronic products increased, alongside growth in services such as tourism. This led to higher cross-border trade flows and increased cargo volumes. Inflation, however, remained moderate, which helped to maintain a stable operating environment.

Key Industry Trends

Several structural trends continue to shape the logistics sector.

Digitalisation is becoming more embedded in daily operations. Companies are using data-driven systems and automation to improve visibility and efficiency. At the same time, the continued expansion of e-commerce is driving demand for integrated logistics services. As order volumes grow, the need for efficient warehousing and last-mile delivery becomes more pronounced.

Regional integration is also gaining momentum. Malaysia's participation in the Regional Comprehensive Economic Partnership ("RCEP") gives cross-border trade a leg up, while developments such as the Johor-Singapore Special Economic Zone are expected to strengthen regional connectivity. Additionally, sustainability is becoming a more central focus. Stakeholders are increasingly placing attention on fuel efficiency and lower-emission transport solutions.

COMPETITIVE POSITIONING

Our Foundation and Growth Journey

Our journey began in 1994 with the incorporation of Sin-Kung Logistics Sdn Bhd in Malaysia. Since then, the Group has steadily expanded its capabilities across the logistics value chain, helped by a long-standing presence in the industry and continuous operational development. On 1 August 2022, we converted into a public limited company and adopted our present name, marking a new phase in our growth.

A key milestone followed with our listing on the ACE Market of Bursa Malaysia on 15 May 2024. This strengthened our financial position and provided the platform to accelerate expansion, particularly in warehousing capacity and fleet development.

Building on this progress, we completed the acquisition of a 100% stake in Prima Air Sdn Bhd on 13 March 2025 for RM20.7 million, and subsequently renamed it to Sin-Kung Airways Sdn. Bhd. on 14 May 2025. This marked a meaningful step forward, extending our capabilities beyond land-based logistics into air cargo, private charter and aircraft maintenance.

Taken together, these developments reflect a clear shift in our positioning. What began as a traditional logistics business has evolved into a more integrated and multimodal platform, with broader capabilities across the supply chain.

Core Logistics and Transportation Capabilities

Our operations are anchored by a well-established trucking business, with a focus on airport-to-airport road feeder services. We facilitate the movement of import and export cargo between airports across Peninsular Malaysia, Singapore and Thailand, meeting both full truckload ("FTL") and less-than-truckload ("LTL") requirements.

In addition, we provide point-to-point trucking services that connect customer premises, warehouses, airports, and seaports, enabling us to meet logistics needs across every stage of the supply chain. Our

MANAGEMENT DISCUSSION & ANALYSIS

fleet of over 500 commercial vehicles forms the backbone of these operations, allowing us to handle a wide range of cargo.

With a diverse mix of vehicle types, we are well-equipped to transport cargo of varying sizes and specifications, from general goods to perishable and time-sensitive shipments. For temperature-sensitive goods, our fleet includes refrigerated box trucks and trailers designed to maintain consistent cold-chain conditions.

Our container haulage services encompass the transportation of both non-refrigerated and refrigerated containers between Port Klang, including Northport and Westport, and our customers' specified locations such as warehouses, distribution centres, and factories across Peninsular Malaysia, as well as our own warehouse facilities.

Warehousing and Bonded Infrastructure

Complementing our transportation network, we operate strategically located warehouses across the central and northern regions of Peninsular Malaysia. These facilities provide a combined storage space of approximately 172,548 square feet, comprising both 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
Port Klang Warehouse	Taman Perindustrian Pulau Indah Fasa 3A, Pelabuhan Klang, Selangor	-	40,224.7	40,224.7
Penang Airport Warehouse	Air Freight Forwarders Warehousing Cargo Complex, Bayan Lepas, Pulau Pinang	1,937.4	-	1,937.4
KLIA Airport Warehouse	POS Aviation Cargo Complex, Sepang, Selangor	5,701.2	-	5,701.2

Our bonded warehouse facilities enable goods to be stored under customs control with duties and taxes suspended until they are released for sale. This allows customers to defer duty payments while maintaining compliance with customs regulations. Across our facilities, we provide both ambient and temperature-controlled storage, along with racking systems, material handling equipment, and backup power infrastructure. Together, these ensure stable storage conditions and efficient handling processes.

To support future growth, we are developing a new built-to-suit office and warehouse complex in Valdor Industrial Park, Penang. With a total floor area of approximately 164,000 square feet, the facility is strategically located near key industrial and logistics hubs, including Batu Kawan Industrial Park, Penang Port and Penang International Airport.

The facility has been designed with a focus on operational efficiency. This includes optimised layouts, enhanced vertical storage and streamlined material flow from inbound handling to dispatch. An advanced warehouse management system enables inventory traceability, while strengthened safety and security measures will safeguard both goods and personnel.

MANAGEMENT DISCUSSION & ANALYSIS

Fulfilment and End-to-End Supply Chain Solutions

In addition to storage and transportation, we provide fulfilment and value-added services that extend our role across the supply chain.

Our fulfilment process begins with the receipt of goods, where items are inspected, counted and recorded to ensure inventory accuracy. Products are then stored based on their characteristics and demand patterns, allowing for more efficient inventory control. Orders are consolidated through our warehouse management system at designated cut-off times before moving into picking and packing processes. These are tailored to suit different product requirements, ensuring consistency and accuracy.

Once prepared, shipments are dispatched using courier partners selected based on delivery timelines and cost considerations. This promotes reliable and cost-effective delivery outcomes for customers. This integrated approach allows us to serve the business-to-business (“B2B”) distribution model, thereby also enabling customers to scale their operations more efficiently while managing logistics costs.

To complement our warehousing and transportation services, we also aid customers in managing their customs clearance processes. This includes handling all necessary documentation and regulatory requirements, ensuring smoother cross-border movements and minimising operational delays. Integrating these capabilities enables us to provide a seamless end-to-end logistics solution that streamlines the entire supply chain from origin to final delivery.

Air Cargo and Multimodal Expansion

As part of our long-term growth strategy, we have expanded into air cargo operations to complement our ground logistics capabilities. The acquisition of Sin-Kung Airways Sdn. Bhd. provides us with immediate access to established air cargo infrastructure and operational expertise.

Our air cargo services will utilise a planned fleet of Boeing 737-400F aircraft, well-suited for regional routes and capable of accommodating a wide range of shipment types. These operations are led by experienced pilots and skilled technical teams responsible for flight operations, maintenance planning, and pre-flight inspections, ensuring consistently high standards of safety and reliability.

To ensure operational readiness, we have established strategic partnerships with key industry players. Our collaboration with POS Aviation, POS Aviation Engineering Services, and AeroDarat Services strengthens our ground handling, inflight services, cargo handling, and engineering capabilities across Malaysia. POS Aviation and POS Aviation Engineering Services primarily cover West Malaysia, while AeroDarat Services covers East Malaysia, enabling seamless and consistent service delivery across both regions.

Taken together, these capabilities strengthen our position as an integrated logistics provider. They also encourage the development of a multimodal platform that connects air and land transportation across the region.

General Aviation and MRO Services

We operate an approved maintenance organisation staffed by experienced aviation professionals. Our maintenance capabilities are anchored by a purpose-built hangar facility in Langkawi, enabling us to deliver a comprehensive range of maintenance, repair, and overhaul (“MRO”) services. The facility is equipped with specialised equipment and controlled working environments to meet stringent maintenance standards.

In addition to our MRO capabilities, we provide end-to-end aircraft management services designed to support efficient and compliant operations. These services include flight scheduling, maintenance planning and coordination, regulatory compliance oversight, and technical record management. This integration of operational and maintenance functions gives us the ability to optimise aircraft availability and extend asset lifespan while ensuring strict adherence to applicable aviation regulations and safety requirements.

MANAGEMENT DISCUSSION & ANALYSIS

We also offer private jet charter services that are tailored to meet the specific needs of both corporate and individual clients, offering flexibility and time efficiency. Utilising the Piaggio P180 Avanti II, our charter services combine comfort with cost efficiency, making them well-suited for regional travel while maintaining a high standard of service and reliability.

Our Competitive Strengths

Our competitive positioning is shaped by a combination of scale and operational control. Our extensive geographic coverage across key ASEAN trade routes provides reliable connectivity, particularly for time-sensitive cargo movements.

This is supported by our ownership of a large and diverse fleet, which allows greater flexibility in meeting different customer requirements. At the same time, our in-house maintenance capabilities help keep vehicles in service longer, reducing downtime and enabling more consistent operations.

Building on this foundation, our integrated solutions offering brings together land transportation, air cargo transportation, warehousing, fulfilment, and custom brokerage. This allows us to serve customers across multiple stages of the supply chain, with solutions that are aligned to their needs.

Our certifications, including the ISO 9001:2015, Good Distribution Practice (GDP), Good Distribution Practice for Medical Devices (GDPMD) and Authorised Economic Operator (AEO) status, further reinforce our management and strict processes. They enable us to handle sensitive and regulated cargo, particularly within the healthcare and pharmaceutical sectors, while providing customers with greater assurance on regulatory compliance and service quality.

FINANCIAL PERFORMANCE

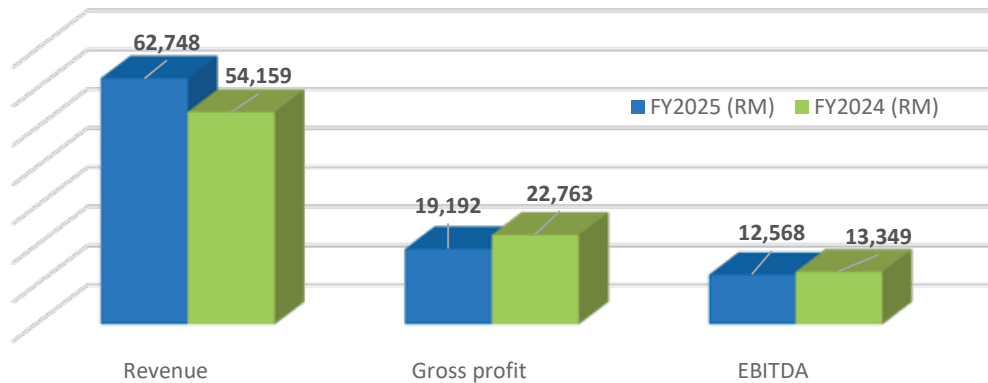
2025 marked an important turning point in our journey. While our core logistics operations continued to deliver steady revenue growth, we deliberately stepped into a strategic phase of investment and expansion. Our focus has shifted from operating as a traditional trucking company to building a broader, more integrated logistics platform that combines land transport and warehousing.

This transition has required significant upfront investment. As a result, our financial performance for the year reflects both the strength of our existing business and the early-stage costs of developing new capabilities that will support long-term growth.

	FY2025	FY2024	Change
	RM'000	RM'000	%
Revenue	62,748	54,159	15.8
Gross profit	19,192	22,763	-15.7
EBITDA	12,568	13,349	-5.9
Profit/(Loss) before tax	(3,104)	3,522	-188.1
Profit/(Loss) after tax	(4,555)	(714)	538.8
Cash and bank balances	20,087	21,904	-8.3
Current assets	36,845	37,862	-2.7
Current liabilities	36,459	17,057	113.7
Total assets	259,293	183,368	41.4
Total liabilities	179,516	99,057	81.2
Total equity	79,777	84,311	-5.4
Total borrowings	119,967	69,157	73.5

Revenue growth remained encouraging throughout the year. For FY2025, we recorded total revenue of RM62.7 million, representing a 15.8% increase compared to RM54.2 million in the previous financial year. This growth was primarily driven by sustained demand in our land transportation segment, which continues to form the foundation of our business.

MANAGEMENT DISCUSSION & ANALYSIS



Despite this positive top-line performance, profitability was impacted during the year. We recorded a loss before tax of RM3.1 million, compared to a profit of RM3.5 million in the previous financial year, while loss after tax stood at RM4.6 million from RM0.7 million in FY2024.

This shift reflects a deliberate and strategic investment phase undertaken during the year. Costs increased as we prepared for the launch of our air cargo operations, with expenses related to manpower, leasing, maintenance and operational readiness. Alongside this, administrative costs rose as we expanded our organisational capacity to support a larger and more integrated business platform. These expenditures are largely front-loaded and are not indicative of structural weaknesses in the underlying business.

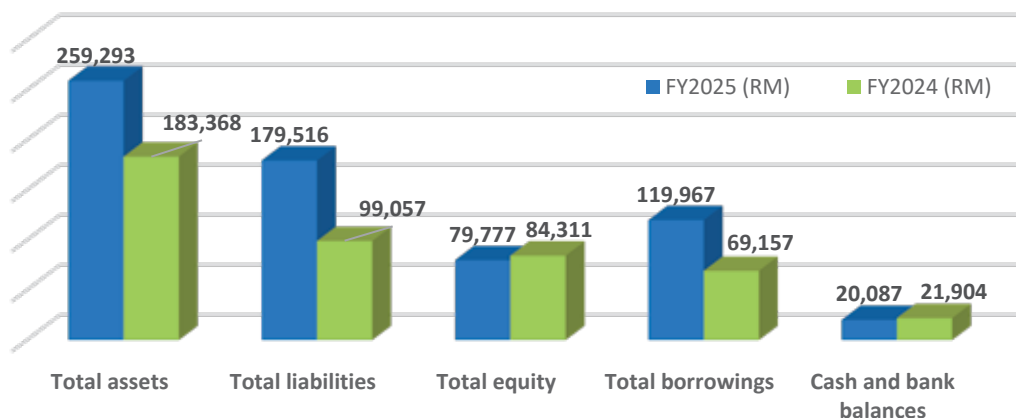
Financial Position

Our financial position reflects the scale of investment undertaken during the year. Total assets increased significantly to RM259.3 million from RM183.4 million in the previous year. This growth was driven by the acquisition of aviation-related assets and leased aircraft.

At the same time, total liabilities rose to RM179.5 million, compared to RM99.1 million previously. This increase was mainly due to higher borrowings and lease obligations, which were undertaken to fund our expansion initiatives. As a result, total equity stood at RM80.0 million.

While this reflects a more leveraged position, it is aligned with our growth strategy. The investments made during the year are expected to support future revenue streams and improve operational efficiency once fully deployed.

Our initial public offering (“IPO”) proceeds continue to be utilised in line with our stated objectives. During the year under review, the Group utilised RM1.6 million for the purchase of commercial vehicles, leaving an unutilised balance of RM10 million to be deployed in accordance with our planned initiatives.



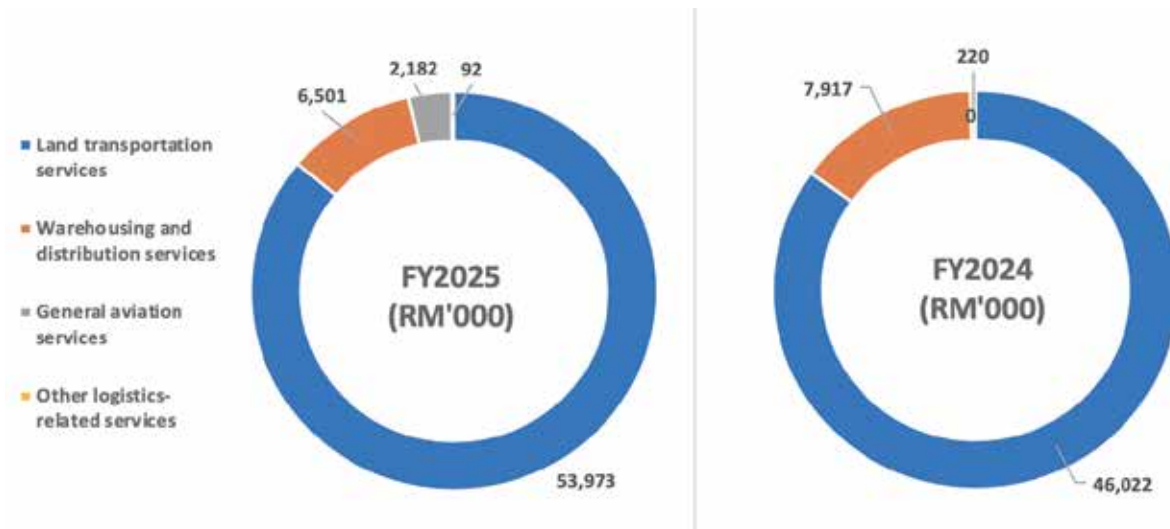
MANAGEMENT DISCUSSION & ANALYSIS

Segmental Performance

Revenue Breakdown by Income Segment

Our land transportation services segment remained the core driver of the Group's earnings, contributing RM54.0 million in revenue for the year. The strength of this segment reflects our established network, consistent service delivery and long-standing relationships with our customers. It continues to provide stable cash flow, which supports our broader expansion strategy.

	FY2025	FY2024	Change
	RM'000	RM'000	%
Land transportation services	53,973	46,022	17.3
Warehouse and distribution services	6,501	7,917	-17.9
General aviation services	2,182	-	-
Others	92	220	-58.2



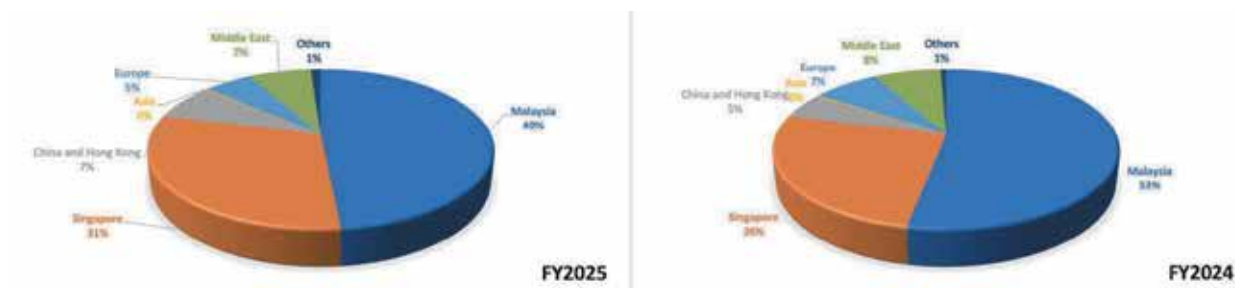
In addition to this, our warehousing and distribution segment generated RM6.5 million in revenue for the year. While performance in this segment was relatively stable, our focus has shifted towards expanding capacity and enhancing service capability. The development of our new warehouse in Valdor Industrial Park, Penang, is a key step in this direction. Once completed, it will significantly increase our storage capacity and strengthen our ability to serve large multinational clients.

Building on this approach, we made substantial progress in developing our aviation segment. Following the acquisition of Sin-Kung Airways, we began laying the groundwork for air cargo operations. This included setting up operational structures, securing aircraft and establishing a dedicated leasing entity to support fleet expansion. Sin-Kung Airways will serve key hubs across Malaysia and ASEAN countries, targeting e-commerce, pharmaceuticals, semiconductors, oil and gas, as well as perishables. It will also provide premium private jet services tailored to meet the growing demand for executive and chartered travel in the region.

During the year, RM2.2 million in revenue was contributed by MRO and private charter operations, as the air cargo segment has yet to be fully operational.

MANAGEMENT DISCUSSION & ANALYSIS

Revenue Breakdown by Geographical Market



	FY2025	FY2024	Change
	RM'000	RM'000	%
Malaysia	30,425	28,723	5.9
Singapore	19,164	14,017	36.7
China and Hong Kong	4,521	2,814	60.7
Asia (Japan, Korea, Sri Lanka, Taiwan, Vietnam)	128	145	-11.0
Europe (Germany, Luxembourg, Netherlands, Russian, Switzerland)	3,399	4,043	-15.9
Middle East (Oman, Qatar, United Arab Emirates, Dubai)	4,410	4,088	7.9
Others (Australia, Turkey, USA)	701	329	112.8
TOTAL	62,748	54,159	15.9

The Group's revenue growth in FY2025 was primarily driven by stronger contributions from regional markets, particularly Singapore and China and Hong Kong, while maintaining a diversified geographical presence. The Group recorded total revenue of RM62.7 million in FY2025, representing an increase of 15.9% compared to RM54.2 million in FY2024.

Malaysia remained the largest contributor, generating RM30.4 million in revenue, an increase of 5.9% year-on-year, reflecting continued stability in domestic operations. Revenue from Singapore increased significantly by 36.7% to RM19.2 million, while the China and Hong Kong segment recorded strong growth of 60.7% to RM4.5 million, indicating higher contributions from these regional markets. Revenue from the Middle East, likewise, rose by 7.9% to RM4.4 million, reflecting steady performance in this segment.

Conversely, revenue from Europe declined by 15.9% to RM3.4 million, while revenue from other parts of Asia decreased by 11.0% to RM0.1 million. However, revenue from other regions, including Australia, Turkey and the USA, increased to RM0.7 million, more than doubling from RM0.3 million in FY2024.

Operational Performance by Service Segment

		FY2025	FY2024	Change %
Trucking services:				
• Airport-to-airport road feeder services: ¹	Chargeable weight ('000 kg)	37,344	30,708	21.6
• Point-to-point trucking services	Number of trips	19,574	20,567	-4.8
Container haulage services	Twenty-foot Equivalent Units ("TEUs")	9,336	11,688	-20.1
Warehousing and distribution services ²	Annual available capacity (number of pallets)	182,425	190,260	-4.1

Notes:

¹ Comprises airport-to-airport road feeder, custom brokerage and escort services

² Comprises the annual available capacity of all warehouses

MANAGEMENT DISCUSSION & ANALYSIS

The Group's operational performance across key service segments reflected a mixed trend in FY2025, with growth in selected segments alongside moderation in others.

Airport-to-airport road feeder services recorded a chargeable weight of 37,300 tonnes in FY2025, representing an increase of 21.6% compared to 30,700 tonnes in FY2024. This indicates higher throughput within this service segment during the financial year.

Point-to-point trucking services recorded 19,574 trips in FY2025, representing a decrease of 4.8% from 20,567 trips in FY2024. Container haulage services handled 9,336 TEUs in FY2025, a decline of 20.1% compared to 11,688 TEUs in FY2024. For warehousing and distribution services, annual available capacity stood at 182,425 pallets in FY2025, compared to 190,260 pallets in FY2024, representing a decrease of 4.1%.

Overall, the Group's operational metrics reflect strong growth in airport-to-airport road feeder services, while other segments experienced lower volumes during the financial year.

Risk Management

Our Board of Directors oversees a structured risk governance framework that helps us identify and assess key risks. This framework also guides how we manage risks, with a focus on maintaining business continuity and ensuring our long-term resilience.

Key Risk Areas and Mitigation Strategies	
Risk Area	How We Address It
Diesel Fuel Cost (Subsidy Rationalisation)	We monitor developments in fuel subsidy policies for diesel, as further rationalisation may lead to structural increases in fuel costs and impact operating margins within our trucking operations. We respond by strengthening cost discipline through route optimisation, operational efficiencies, and calibrated pricing adjustments to sustain margins and service reliability.
Jet A1 Fuel Price Volatility Risk	We track global Jet A1 fuel price movements, as short-term volatility may result in unpredictable cost fluctuations and margin variability within our aviation segment. We mitigate this through hedging strategies, deployment of fuel-efficient fleet assets, and dynamic pricing mechanisms, including fuel surcharges, to manage exposure and stabilise earnings.
Global Supply Chain Disruptions	We keep abreast of geopolitical and trade developments to identify potential disruptions early. Flexible routing, alternative transport modes and growing air cargo capabilities facilitate service continuity. Our integrated network allows us to respond quickly to shifting trade flows and maintain reliable service levels.
Talent Shortages	We invest in structured training and capability development in line with national initiatives. This includes driver training, safety programmes and targeted upskilling. At the same time, automation and digital systems promote productivity and reduce reliance on manual processes.
Customer Concentration	The Group continues to broaden our customer base through targeted business development initiatives across diverse industry segments. This reduces dependency on key clients and enhances revenue resilience. Our ability to offer integrated logistics solutions further strengthens customer retention and supports long-term relationship growth.
Foreign Exchange and Interest Rates	The Group actively monitors exposure to foreign exchange fluctuations and interest rate movements, implementing appropriate hedging strategies where necessary. We also maintain prudent financial management practices, including disciplined capital allocation and ongoing monitoring of cash flow and borrowing levels, to preserve financial stability.

MANAGEMENT DISCUSSION & ANALYSIS

Geopolitical and Global Disruption Risk	We closely monitor geopolitical developments and global events, as conflicts, airspace restrictions, and supply chain disruptions may lead to longer flight routes, increased fuel consumption, and operational challenges. We respond by implementing established standard operating procedures and contingency plans, while maintaining robust preventive maintenance programmes to ensure operational continuity and reliability.
Market Demand Fluctuation and Competition Risk	We closely monitor market demand trends and competitive dynamics, as fluctuations in demand and increasing competition may impact volumes and margins. We respond by optimising route planning and capacity allocation, while diversifying revenue streams across services and customer segments to enhance resilience and maintain competitiveness.

Strategic Direction

FY2025 marks a shift in how we position ourselves within the logistics industry. While trucking remains our foundation, our focus is now on building a more integrated offering that brings together land transport, warehousing and air cargo transportation into a seamless logistics solution.

As part of this direction, the development of our aviation business remains a key priority. Preparations for air cargo operations have progressed, with our first aircraft operations expected to commence in April 2026, while additional aircraft are planned for deployment in subsequent quarters. This will enable closer coordination between road and air logistics, supporting faster and more efficient logistics solutions.

At the same time, we maintain our investment in warehousing capacity and fleet expansion. These efforts will expand our service coverage and improve operational flexibility, positioning us to meet growing demand across both domestic and regional markets.

Industry Outlook and Prospects

The broader economic environment remains encouraging of logistics growth. Global activity is expected to expand at a moderate pace, while Malaysia continues to record steady growth, on the back of resilient domestic demand and trade flows. This will sustain demand across the logistics sector.

Within this environment, the scale of the industry continues to expand. Malaysia's logistics market, estimated at approximately US\$29 billion, is expected to grow further in the coming years as trade activity and infrastructure development continue to progress.

This momentum is reinforced by several structural trends. Ongoing infrastructure and industrial development, together with the expansion of e-commerce and cross-border trade, continue to drive demand for logistics services. At the same time, digitalisation and regional integration are reshaping how services are delivered, with greater focus on efficiency and connectivity across the supply chain.

The outlook is further underpinned by continued investment activity and stable consumption patterns. National development plans, including the New Industrial Master Plan 2030 and the National Energy Transition Roadmap, are expected to strengthen industrial activity and sustain logistics demand over the medium to long term.

This direction is complemented by strong government backing, with logistics development identified as a national priority. Policy initiatives and infrastructure investments are focused on improving efficiency and strengthening Malaysia's position as a regional logistics hub.

In this context, targeted incentives such as the Smart Logistics Complex initiative under Budget 2025 are encouraging the development of more advanced, technology-enabled logistics facilities. The programme drives the adoption of automation and digital solutions, while promoting more efficient and sustainable warehousing operations. This is expected to drive investment into integrated logistics solutions and enhance overall industry capability.

MANAGEMENT DISCUSSION & ANALYSIS

Taken together, these developments are driving a shift towards more integrated and technology-driven logistics models. Providers that combine operational reliability with scalable capabilities are better positioned to meet evolving customer needs.

Within this environment, we remain focused on disciplined execution of our growth strategy. The planned launch of our air cargo operations, together with the expansion of our warehousing capacity, represents a key step in strengthening our service offering and promoting revenue diversification. As these initiatives progress, closer integration across our logistics capabilities will allow us to deliver more seamless and efficient solutions, positioning us to better meet our customers' needs while expanding our presence across both domestic and regional markets.

FY2025 has certainly marked an important phase in our growth, providing a strong foundation for the next stage of development. Our current priority is on translating our investments into consistent operational performance, with continued focus on efficiency and service reliability.

APPRECIATION

On behalf of the Board, I would like to thank our shareholders for their continued confidence, our employees for their dedication, and our customers for their trust. We also appreciate the support of our bankers, business partners and stakeholders.

With strengthened capabilities and a clearer strategic direction, we are well positioned to build on our momentum and deliver sustainable long-term value.

Alan Ong Lay Wooi

Group Managing Director cum Chief Executive Officer

SUSTAINABILITY STATEMENT

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

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

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

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

ABOUT THIS STATEMENT

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

Reporting Scope and Basis of Preparation

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

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

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

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

SUSTAINABILITY STATEMENT

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

Reporting Period

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

Reporting Cycle

Annually, in conjunction with our financial reporting period.

Reporting Guidelines

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

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

Assurance Statement

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

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

Engage with Us

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

SUSTAINABILITY STATEMENT

SUSTAINABILITY FRAMEWORK

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

Our Vision

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

Our Mission

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

Our Values

3-Es Principle

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

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

Our Focus Areas



Economic



Governance



Environment



Social

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



SUSTAINABILITY STATEMENT

SDG MAPPING

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

OUR APPROACH TO SUSTAINABILITY

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



SUSTAINABILITY GOVERNANCE

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

SUSTAINABILITY STATEMENT



ROLES AND RESPONSIBILITIES

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

Roles:

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

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

Audit and Risk Management Committee ('ARMC')

- 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.

Nominating & Remuneration Committee ('NRC')

- Approves and monitors the sustainability strategies, policies, targets and performance, materiality assessment process & outcome and the sustainability statement.
- Ensures the integration of sustainability and climate-related risks and opportunities.
- Reviews the Board and senior management performance evaluation against agreed sustainability-linked KPIs.

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

Roles:

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

SUSTAINABILITY STATEMENT

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

Roles:

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

SUSTAINABILITY POLICY

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

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

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

The Sustainability Policy states the following commitments and principles:

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

SUSTAINABILITY STATEMENT

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

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

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

MATERIALITY

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

SUSTAINABILITY MATERIAL MATTERS

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



SUSTAINABILITY STATEMENT

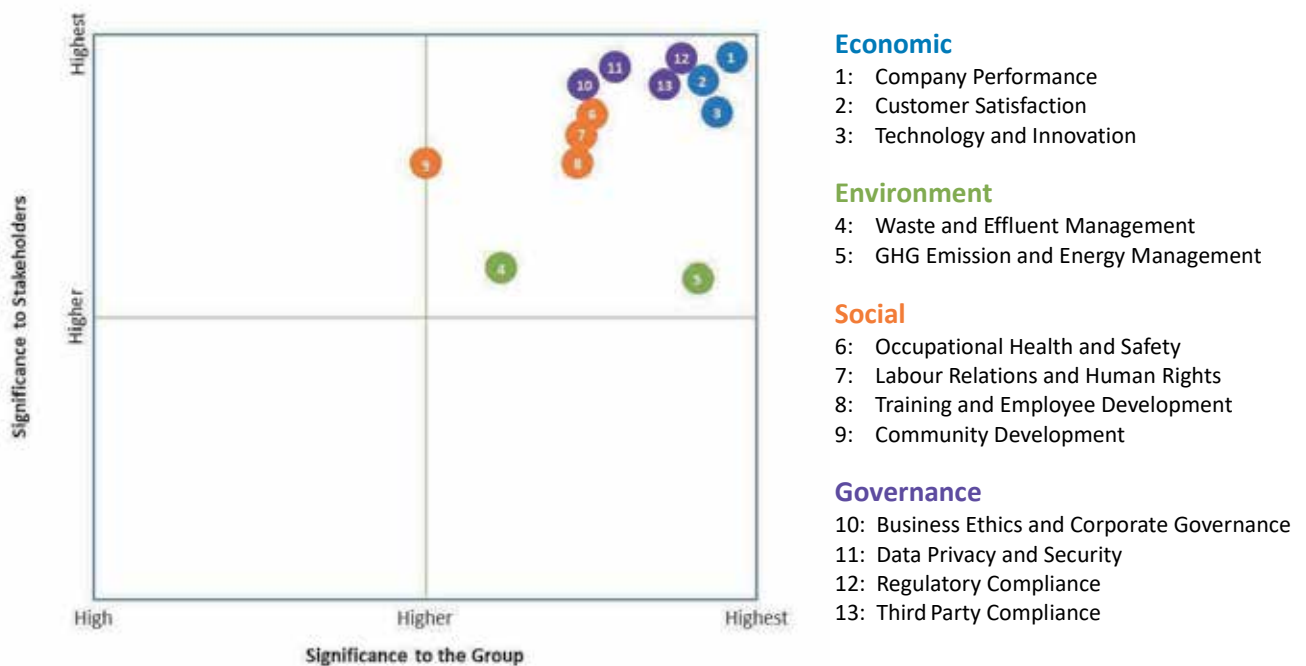
MATERIALITY ASSESSMENT

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

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

MATERIALITY MATRIX

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



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

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





SUSTAINABILITY STATEMENT

STAKEHOLDER MANAGEMENT




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

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

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

Stakeholder Groups	Areas of Interest	Engagement Channels	Our Response / Key Actions
 <p>Investors / Financial Institutions / Analysts</p>	<ul style="list-style-type: none"> • Financial and sustainability performance • Reputation and Branding • Transparent and timely reporting • Risk management • Ethics and Governance 	<ul style="list-style-type: none"> ♦ Annual General Meeting and Extraordinary General Meeting ♦ Announcements ♦ Corporate Disclosures ♦ Analysts and Investors briefings 	<ul style="list-style-type: none"> ♦ Timely and transparent disclosures ♦ Sound governance structure and practices ♦ Strategic performance updates ♦ Risk prioritisation
 <p>Customers</p>	<ul style="list-style-type: none"> • Service reliability • Safe and responsible handling of cargoes • Efficient and timely delivery of cargoes • Data privacy 	<ul style="list-style-type: none"> ♦ Regular meetings ♦ Customer / Client Feedback mechanism ♦ Surveys and service reviews 	<ul style="list-style-type: none"> ♦ Continuous service improvement ♦ Investment in technology and innovation ♦ Data protection controls
 <p>Employees</p>	<ul style="list-style-type: none"> • Labour conditions • Fair remuneration • Career Development • Communication • Safety and Health 	<ul style="list-style-type: none"> ♦ Employee engagement ♦ Grievance channel ♦ Employee training ♦ Performance appraisals 	<ul style="list-style-type: none"> ♦ Enacted policies for employee protection e.g. diversity and workplace harassment policies ♦ Safe working environment ♦ Training and development initiatives ♦ Fair HR policies and engagement programmes
 <p>Suppliers / Vendors</p>	<ul style="list-style-type: none"> • Third-party compliance • Ethical procurement practices • Mutual growth 	<ul style="list-style-type: none"> ♦ Clear policies and guidelines ♦ Nurture partnership through open communication 	<ul style="list-style-type: none"> ♦ Supplier sustainability standards ♦ Compliance monitoring ♦ Fair and transparent procurement practices

SUSTAINABILITY STATEMENT

Stakeholder Groups	Areas of Interest	Engagement Channels	Our Response / Key Actions
 Regulatory Authorities / Certification Bodies	<ul style="list-style-type: none"> • Compliance and license to operate • Environmental standards • Operational safety • Training and development 	<ul style="list-style-type: none"> ♦ Renewal of Permits and Licenses ♦ Attend compliance and regulatory seminars and training ♦ Regular internal and external audits 	<ul style="list-style-type: none"> ♦ Adherence to applicable laws and regulations ♦ Proactive compliance management
 Communities	<ul style="list-style-type: none"> • Road Safety • Human Rights • Community welfare • Transparent communication • Employment opportunities 	<ul style="list-style-type: none"> ♦ Charitable donations ♦ Driver training ♦ Direct and open communication channels ♦ Local Sourcing and Hiring 	<ul style="list-style-type: none"> ♦ Support for community initiatives ♦ responsible operations ♦ local sourcing and employment where practicable
 Media	<ul style="list-style-type: none"> • Corporate transparency • Business developments • Regulatory announcements • Sustainability initiatives 	<ul style="list-style-type: none"> ♦ Press releases ♦ Media briefings ♦ Corporate website updates 	<ul style="list-style-type: none"> ♦ Accurate and timely public disclosures ♦ Proactive communication of key developments

SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES (SROs)

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

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

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

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

SUSTAINABILITY STATEMENT

MATERIAL MATTERS	RISKS	OPPORTUNITIES
Technology & Innovation	Rapid advancements in green logistics technologies and aviation systems may require significant capital investment.	Leverage investments in digital tracking systems, fuel-efficient fleets and aviation technologies to enhance operational efficiency and attract ESG-conscious clients.
ENVIRONMENT		
Waste & Effluent Management	Non-compliance with waste, hazardous material or aviation-related maintenance waste handling requirements may result in penalties.	Strengthen waste monitoring and specialised training, including handling of aviation-related materials, to enhance environmental performance and compliance.
GHG Emissions & Energy Management	Stricter emissions regulations affecting commercial vehicles and aviation operations.	<ul style="list-style-type: none"> • Transition to fuel-efficient vehicles and optimise flight operations to improve fuel efficiency. • Explore sustainable aviation practices and energy-efficient facilities to reduce emissions and operating costs.
SOCIAL		
Occupational Safety & Health	<ul style="list-style-type: none"> • Road safety risk. • Aviation ground handling and operational safety risks. • Disruptions arising from investigations into driver or aviation personnel working conditions. 	<ul style="list-style-type: none"> • Continuous driver and aviation personnel training to enhance safety standards. • Adherence to aviation safety protocols to reduce incidents and operational disruptions. • Mitigate road safety risks and potential disruptions by installing speed limiters in trucks, enhancing safety and operational reliability. • Proactively invest in driver health and work condition with safety equipment in trucks, and PPE for warehouse employees (e.g., safety vests) to improve safety, reduce incidents, and minimise delays.
Labour Relations & Human Rights	Non-compliance with labour regulations, including specialised aviation workforce requirements.	Ongoing engagement with employees and suppliers on labour standards and human rights to mitigate compliance risks and enhance workforce stability.
Training & Employee Development	Risk of attrition of trained logistics and aviation personnel.	Implement retention initiatives, including bonding arrangements for specialised aviation training, to safeguard talent investments.
Community Development	Increased public scrutiny on environmental and aviation-related impacts.	Strengthen community engagement and transparent communication regarding operational and environmental practices.

SUSTAINABILITY STATEMENT

GOVERNANCE		
Business Ethics & Corporate Governance	Increased costs associated with enhanced disclosure, aviation regulatory compliance and governance expectations.	<ul style="list-style-type: none"> • Meet heightened customer expectations and regulatory demands through transparent reporting and assurance, attracting businesses that prioritise ethical and compliant partners. • Achieve a better credit position through higher ratings by demonstrating strong corporate governance, potentially leading to more favorable financing terms. • Secure higher margin financing from financial institutions by showcasing a commitment to ethical practices and transparent operations, which are increasingly valued by lenders.
Data Privacy & Security	Cybersecurity risks to logistics and aviation systems, including customer and cargo data breaches.	<ul style="list-style-type: none"> • Invest in stand-alone software solutions to proactively prevent and mitigate the risk of ransomware and cyberattacks. • Security firewalls and cyber protection will keep customer and company data safe and reduce the risk of ransomware.
Regulatory Compliance	Exposure to risks from non-compliance with logistics, aviation and environmental regulations.	Strong compliance framework enhances trust, operational continuity and eligibility for both the logistics and aviation-related licences and certifications.
Third Party Compliance	Stricter certification and compliance requirements for logistics partners and aviation service providers.	Strengthen third-party due diligence to enhance reliability, reputation and access to high-value customers requiring certified partners.

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

SUSTAINABILITY TARGETS AND PERFORMANCE

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

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

SUSTAINABILITY STATEMENT

FY2025 KEY ACHIEVEMENT HIGHLIGHTS

<p>ECONOMIC</p> <p>93% of procurement spend allocated to LOCAL VENDORS</p> <p>Achieved an average of 93% CUSTOMER SATISFACTION score</p>	<p>SOCIAL</p> <p>ZERO HUMAN RIGHTS violation recorded</p> <p>ZERO incidence of non-compliance with LABOUR REGULATIONS</p> <p>Average of 13.9 TRAINING HOURS per employee.</p>
<p>ENVIRONMENT</p> <p>RECYCLED 99% of EFFLUENT (Lubricant Oil) used</p> <p>46% of used TYRES RETREADED and DIVERTED from disposal</p>	<p>GOVERNANCE</p> <p>ZERO incidences of BRIBERY and CORRUPTION</p> <p>ZERO CUSTOMER DATA BREACHES</p> <p>ZERO REGULATORY NON-COMPLIANCE incidents</p> <p>100% employees trained on ANTI-CORRUPTION</p>

OUR APPROACH TO MANAGING MATERIAL SUSTAINABILITY MATTERS

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

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

ECONOMIC SUSTAINABILITY



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

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

SUSTAINABILITY STATEMENT

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

COMPANY PERFORMANCE AND DIRECT ECONOMIC IMPACTS

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

Economic Performance

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

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

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

SUSTAINABILITY STATEMENT

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

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

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

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

Sustainable Supply Chain Management

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

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

Sustainable Procurement

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

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

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

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

SUSTAINABILITY STATEMENT

DELIVERING CUSTOMER SATISFACTION THROUGH THE 3-ES

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

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

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

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

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

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

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



TECHNOLOGY AND INNOVATION

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

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

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

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

SUSTAINABILITY STATEMENT

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

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

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

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

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

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

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

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

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

SUSTAINABILITY STATEMENT

ENVIRONMENTAL SUSTAINABILITY



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

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

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

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

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

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

Environmental Data Scope

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

SUSTAINABILITY STATEMENT

WASTE AND EFFLUENT MANAGEMENT

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

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

Waste Segregation and Recycling Practices

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

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

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

Waste Generation and Recycling Performance

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

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

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

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

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

SUSTAINABILITY STATEMENT

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

Scheduled Waste Management

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

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

Tyre Life Cycle Management

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

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

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

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

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

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

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

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

SUSTAINABILITY STATEMENT

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

WATER AND EFFLUENT MANAGEMENT

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

Water Management

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

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

Water Consumption Performance

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

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

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

EFFLUENTS

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

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

SUSTAINABILITY STATEMENT

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

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

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

GHG EMISSIONS AND ENERGY MANAGEMENT

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

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

Energy Consumption Performance (RT&L)

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

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

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

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

SUSTAINABILITY STATEMENT

TOTAL ENERGY CONSUMPTION (Air Cargo & Aviation Solutions)*

Period	Total Non-Renewal Energy (GJ)				Total Renewable Energy (GJ)			Total Energy Input (GJ)	% of Total Renewal Energy Input (GJ)
	Electricity	Aircraft Fuel**	Gas	Others	Solar	Steam	Others		
FY2025	417.00	3,522.20	0	0	0	0	0	3,939.20	0%

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

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

Climate Change & GHG Emissions

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

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

In FY2025, SINKUNG recorded total Scope 1 GHG emissions of 8,311.17 tCO₂e, compared with 6,326.90 tCO₂e in FY2024. The increase in Scope 1 emissions was primarily attributable to higher fuel consumption arising from increased operational activity, in line with revenue growth during the year.

Scope 2 emissions, which arise from purchased electricity consumption across operational facilities, decreased to 1,166.28 tCO₂e in FY2025 from 1,193.90 tCO₂e in FY2024. This reduction reflects lower electricity usage during the financial year as well as ongoing efforts to monitor and manage energy consumption across facilities.

Emission Performance (tCO₂e)

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

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

SUSTAINABILITY STATEMENT

Note #: FY2024 Scope 1 emissions have been recalculated and restated from 1,833.81 tCO₂e as previously reported in the FY2024 Sustainability Statement to 6,326.90 tCO₂e, following improvements in data collection methodology and expanded operational boundaries.

Climate Change Considerations

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

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

SOCIAL SUSTAINABILITY



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

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

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

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

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

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

SUSTAINABILITY STATEMENT

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

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

OCCUPATIONAL SAFETY AND HEALTH ("OSH")

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

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

Our commitment to OSH is operationalised through the following measures:

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

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

Chemical Spill Prevention and Control

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

SUSTAINABILITY STATEMENT

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

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

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

Safety and Health Performance

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

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

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

Enhancing Road Safety: SINKUNG's Driver Training Program

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

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

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

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

SUSTAINABILITY STATEMENT

Aviation Safety Oversight

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

OSH Training and Competency Development

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

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

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

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

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

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

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

SUSTAINABILITY STATEMENT

FY2025 SAFETY & HEALTH TRAINING		
Training Topics	No. of Hours	No. of Attendees
Aviation Security Awareness (AVESC-1)	16	20
Airside Safety	8	17
Emergency Response Procedure	16	18
Dangerous Goods Regulation (DGR) Function 3	24	1
Total	232	200



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



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

LABOUR RELATIONS AND HUMAN RIGHTS

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

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

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

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

SUSTAINABILITY STATEMENT

Labour Standards

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

Key labour standards observed by the Group include:

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

Child Labour

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

Modern Slavery and Ethical Recruitment

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

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

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

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

Grievance Mechanism

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

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

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

SUSTAINABILITY STATEMENT

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

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

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

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

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

Compliance and Grievance Performance Overview

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

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

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



Diversity and Inclusivity

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

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

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

SUSTAINABILITY STATEMENT

Board Diversity

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

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

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

Workforce Diversity

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

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

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

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

SUSTAINABILITY STATEMENT

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

Workforce Profile

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

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

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

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

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

SUSTAINABILITY STATEMENT

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

Workforce Retention and Turnover

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

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

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

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

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



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

SUSTAINABILITY STATEMENT

TRAINING AND EMPLOYEE DEVELOPMENT

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

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

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

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



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

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

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

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

SUSTAINABILITY STATEMENT

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

EMPLOYEE WELFARE & BENEFITS

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

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

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

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

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

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

COMMUNITY DEVELOPMENT

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

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

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

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

COMMUNITY INVESTMENTS



SUSTAINABILITY STATEMENT

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

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

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

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

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



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



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

SUSTAINABILITY STATEMENT



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

ADVANCING OUR SOCIAL COMMITMENT

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

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

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

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

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

SUSTAINABILITY STATEMENT

GOVERNANCE



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

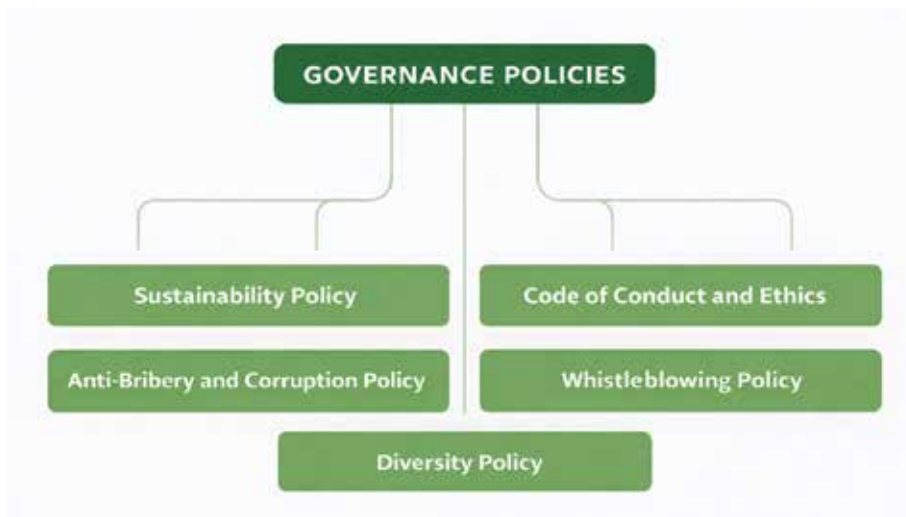
The Group’s governance approach supports the SDG 8: Decent Work and Economic Growth, SDG 9: Industry, Innovation and Infrastructure, and SDG 16: Peace, Justice and Strong Institutions. Through responsible and ethical business practices, effective data governance and cybersecurity measures, and strong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

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

Our Policies and Frameworks

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

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



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

SUSTAINABILITY STATEMENT

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



BUSINESS ETHICS AND CORPORATE GOVERNANCE

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

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

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

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

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

Anti-Corruption and Anti-Bribery

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

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

SUSTAINABILITY STATEMENT

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

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

Percentage of Employees Who Received Training on Anti-Corruption

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

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

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

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

SUSTAINABILITY STATEMENT

DATA PRIVACY AND SECURITY

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

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

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

Complaints concerning breaches of:

- stakeholder privacy
- loss of customer data
- cybersecurity

FY2025
FY2024 **ZERO**

REGULATORY COMPLIANCE

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

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

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

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

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

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



SUSTAINABILITY STATEMENT

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

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

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

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

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

THIRD-PARTY COMPLIANCE AND VALIDATION

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

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

The Group currently holds the following certifications:

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

SUSTAINABILITY STATEMENT



These certifications demonstrate SINKUNG’s commitment to maintaining high standards of quality, operational reliability and regulatory compliance, while strengthening confidence among our clients and business partners.

Where minor non-conformities or opportunities for improvement are identified during certification audits, we work closely with the relevant certification bodies to implement corrective actions and remediation measures. This process supports continuous improvement and helps strengthen our operational resilience and compliance framework.

BUSINESS CONTINUITY & DISASTER RECOVERY PLAN

Maintaining operational resilience and preparedness for potential disruptions remains an important priority for the Group. A Business Continuity and Disaster Recovery Plan (“BCDRP”) is in place to guide the Group’s response to potential operational disruptions and emergency situations.

The BCDRP provides structured procedures to address a range of potential incidents, including natural disasters, power outages, system failures and other unforeseen events that may affect business operations. The plan is designed to minimise operational disruption, safeguard the safety of employees and customers, and facilitate a timely and efficient recovery of critical functions.

The BCDRP also establishes clear communication and escalation protocols to support timely decision-making and coordinated response during emergency situations. Through this framework, the Group strengthens our preparedness and resilience, supporting business continuity while safeguarding the interests of employees, customers and other stakeholders.

GOVERNANCE COMMITMENT

Strong governance practices remain fundamental to the Group’s commitment to responsible and sustainable business operations. Through the implementation of appropriate policies, adherence to regulatory requirements, and continuous monitoring of ethical standards and operational risks, the Group seeks to uphold transparency, accountability and integrity across all aspects of our operations. These governance practices support long-term value creation while strengthening the trust and confidence of our stakeholders.

SUSTAINABILITY STATEMENT

Sin-Kung Logistics Berhad
BMLR Transition PeriodDate & Time: 2026-04-30 12:00:09
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
GHG Emissions	C11(a) Scope 1	tCO2e	8,311.7	-	No assurance
GHG Emissions	C11(b) Scope 2	tCO2e	1,166.28	-	No assurance
Anti-Corruption	C1(a) Percentage of employees who have received training on anti-corruption by employee category - Senior Management	Percentage (%)	100	100%	No assurance
Anti-Corruption	C1(a) Percentage of employees who have received training on anti-corruption by employee category - Middle Management	Percentage (%)	100	100%	No assurance
Anti-Corruption	C1(a) Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage (%)	100	100%	No assurance
Anti-Corruption	C1(a) Percentage of employees who have received training on anti-corruption by employee category - Technical / Others	Percentage (%)	100	100%	No assurance
Anti-Corruption	C1(b) Percentage of operations assessed for corruption-related risks	Percentage (%)	0	100%	No assurance
Anti-Corruption	C1(c) Confirmed incidents of corruption and action taken	Number	0	0	No assurance
Community / Society	C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	33,897,68	-	No assurance
Community / Society	C2(b) Total number of beneficiaries of the investment in communities	Number	9	-	No assurance

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Sin-Kung Logistics Berhad
BMLR Transition PeriodDate & Time: 2026-04-30 12:00:09
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Supply Chain	C7(a) Proportion of spending on local suppliers	Percentage (%)	96	Above 95%	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Male	Percentage (%)	75	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Female	Percentage (%)	25	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Under 30 Years	Percentage (%)	25	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - 30-50 years	Percentage (%)	56	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Above 50 Years	Percentage (%)	18	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Senior Management, Under 30 Years	Percentage (%)	0	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Senior Management, 30 - 50 Years	Percentage (%)	1	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Senior Management, Above 50 Years	Percentage (%)	1	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Middle Management, Under 30 Years	Percentage (%)	2	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Middle Management, 30 - 50 Years	Percentage (%)	8	-	No assurance

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SUSTAINABILITY STATEMENT

Sin-Kung Logistics Berhad Date & Time: 2026-04-30 12:00:09
 BMLR Transition Period FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Middle Management, Above 50 Years	Percentage (%)	5	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Executive, Under 30 Years	Percentage (%)	3	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Executive, 30 - 50 Years	Percentage (%)	8	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Executive, Above 50 Years	Percentage (%)	1	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Drivers, Under 30 Years	Percentage (%)	5	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Drivers, 30 - 50 Years	Percentage (%)	22	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Drivers, Above 50 Years	Percentage (%)	10	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Technical/-Others, Under 30 Years	Percentage (%)	15	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Technical/-Others, 30 - 50 Years	Percentage (%)	18	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Technical/-Others, Above 50 Years	Percentage (%)	2	-	No assurance

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Sin-Kung Logistics Berhad Date & Time: 2026-04-30 12:00:09
 BMLR Transition Period FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Senior Management, Male	Percentage (%)	1	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Senior Management, Female	Percentage (%)	1	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Middle Management, Male	Percentage (%)	9	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Middle Management, Female	Percentage (%)	6	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Executive, Male	Percentage (%)	9	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Executive, Female	Percentage (%)	4	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Drivers, Male	Percentage (%)	37	—	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Drivers, Female	Percentage (%)	0	—	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Technical/-Others Male	Percentage (%)	19	-	No assurance
Diversity	C3(a) % of Employees by Gender & Age Group Category - Technical/-Others Female	Percentage (%)	15	-	No assurance
Diversity	C3(b) % of Directors by gender and age group - Male	Percentage (%)	58	-	No assurance

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SUSTAINABILITY STATEMENT

Sin-Kung Logistics Berhad

BMLR Transition Period

Date & Time: 2026-04-30 12:00:09

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	C3(b) % of Directors by gender and age group - Female	Percentage (%)	42	-	No assurance
Diversity	C3(b) % of Directors by gender and age group - 30 to 50 Years	Percentage (%)	42	-	No assurance
Diversity	C3(b) % of Directors by gender and age group - Above 50 Years	Percentage (%)	58	-	No assurance
Labour Practices & Standards	C6(a) Total hours of training by employee category - BOD	Hours	352	-	No assurance
Labour Practices & Standards	C6(a) Total hours of training by employee category - Senior Management	Hours	80	-	No assurance
Labour Practices & Standards	C6(a) Total hours of training by employee category - Middle Management	Hours	1803	-	No assurance
Labour Practices & Standards	C6(a) Total hours of training by employee category - Executive	Hours	2056	-	No assurance
Labour Practices & Standards	C6(a) Total hours of training by employee category - Non-Executive	Hours	791	-	No assurance
Labour Practices & Standards	C6(b) % of Employees that are contractors or temporary staff	Percentage (%)	58	-	No assurance
Labour Practices & Standards	C6(c) % of Employee turnover by Employee category - Senior Management	Percentage (%)	0	-	No assurance
Labour Practices & Standards	C6(c) % of Employee turnover by Employee category - Middle Management	Percentage (%)	9	-	No assurance
Labour Practices & Standards	C6(c) % of Employee turnover by Employee category - Executive	Percentage (%)	6	-	No assurance
Labour Practices & Standards	C6(c) % of Employee turnover by Employee category - Non-Executive	Percentage (%)	85	-	No assurance

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Sin-Kung Logistics Berhad

BMLR Transition Period

Date & Time: 2026-04-30 12:00:09

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Labour Practices & Standards	C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	No assurance
Health & Safety	C5(a) Number of work related fatalities	Number	0	0	No assurance
Health & Safety	C5(b) Lost time incident rate (LTIR) - Direct Employee	Number	0.62	-	No assurance
Health & Safety	C5(b) Lost time incident rate (LTIR) - Contractual Employee	Number	0.90	-	No assurance
Health & Safety	C5(c) Number of employees trained on health & safety standards	Number	200	-	No assurance
Data Privacy / Security	C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	No assurance
Energy Management	C4(a) Total energy consumption	Gigajoules (GJ)	127803.86	-	No assurance
Water	C9(a) Total volume of water used	m3	14,377	-	No assurance
Waste Management	C10(a) Total Waste generated	Metric Tonnes	14,042	-	No assurance
Waste Management	C10(a)(i) Total Waste diverted from disposal	Metric Tonnes	13,970	-	No assurance
Waste Management	C10(a)(ii) Total Waste directed to disposal	Metric Tonnes	72	-	No assurance
Waste Management	C10(a) % of Waste recycled vs generated	Percentage (%)	99.5	-	No assurance

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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 year ended 31 December 2025 (“**FYE2025**”), a copy of which is available on the Company’s website.

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 FYE2025, 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 four (4) female 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. Moving forward, the Board, being in line with the national target of having 30% women on the boards of the listed issuers, will maintain a register of potential directors which include high-calibre female candidates and appoint them when the need arises.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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;
- i) 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.
- j) 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.

CORPORATE GOVERNANCE STATEMENT

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**I. Board Responsibilities (Cont'd)****1. Board of Directors (Cont'd)**

- k) 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
- l) 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.

CORPORATE GOVERNANCE STATEMENT

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 Chairwoman of the Board, Tan Soo Mooi, an Independent Non-Executive Chairwoman, 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 cum Chief Executive Officer, 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.

CORPORATE GOVERNANCE STATEMENT

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 Secretary and circulated to all Directors prior to the meetings.

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

The Board met five (5) times during the financial year ended 31 December 2025 ("FYE2025"). The attendance of each Director at the Board Meetings held during FYE2025 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.

CORPORATE GOVERNANCE STATEMENT

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:

No.	Name of Director	Type of Training
1.	Tan Soo Mooi	<ul style="list-style-type: none"> MIA Webinar Series: ESG Evolution: Developments, Obligations and Reporting Requirements for Sustainable Organisations
2.	Alan Ong Lay Wooi	<ul style="list-style-type: none"> Aviation Legislation Initial Mandatory Accreditation Programme ("MAP") Part II: Leading for Impact Aviation Security Awareness Training CBTA Dangerous Goods Regulations Initial Course - Function 7 Emergency Response Plan Safety Management System - Initial CAAM Part 145 CAAM Part M CBTA Dangerous Goods Regulations Initial Course - Function 8
3.	Dato' Ir. Haji Mohamad Bin Dalib	<ul style="list-style-type: none"> MAP Part II: Leading for Impact
4.	Adam Muralidharan Bin Abdullah	<ul style="list-style-type: none"> MAP Part II: Leading for Impact
5.	Lee Lean Suan	<ul style="list-style-type: none"> Strategic Oversight in Strategy Implementation: Getting Execution Right at the Board Level Programme Strengthening Board Oversight on Human Rights and Anti-Money Laundering Preview of the Aspiring Directors Immersion Programme (ADIP)
6.	Dato' Haji Abdul Wahabi Bin Abdullah	<ul style="list-style-type: none"> MAP Part II: Leading for Impact
7.	Datuk Md Hassim Bin Pardi	<ul style="list-style-type: none"> The Journey into the AI Age: Game Changer for Your Digital Transformation Era Programme
8.	Angeline Ong Lay Shee	<ul style="list-style-type: none"> Aviation Legislation Initial CAAM Part 145 CAAM Part M MAP Part II: Leading for Impact Aviation Security Awareness Training B737-400F Mass and Balance Training - Initial CBTA Dangerous Goods Regulations Initial Course - Function 7 Emergency Response Plan Safety Management System - Initial Halal Handling in Food & Pharmaceutical Industry CBTA Dangerous Goods Regulations Initial Course - Function 8

CORPORATE GOVERNANCE STATEMENT

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**I. Board Responsibilities (Cont'd)****5. Continuous Development of the Board (Cont'd)**

The list of training programmes attended by the Directors during the financial year under review are as follows: (Cont'd)

No.	Name of Director	Type of Training
9.	Adeline Ong Lay Suen	<ul style="list-style-type: none"> • Aviation Legislation Initial • CAAM Part 145 • CAAM Part M • Licensed Manufacturing Warehouse (LMW) • MAP Part II: Leading for Impact • Safety Management System - Initial • Halal Handling in Food & Pharmaceutical Industry

The Company Secretary 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.

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.

CORPORATE GOVERNANCE STATEMENT

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**I. Board Responsibilities (Cont'd)****6. Board Committees (Cont'd)**

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

During the FYE2025, the NRC held one (1) meeting. Below are the summary of the key activities undertaken by the NRC in discharge of its duty:

- (a) Reviewed the composition of the Board and Board Committees with regards to the mix of skills, independence and diversity in accordance with its policy;
- (b) Determined the Directors who stand for re-election and re-appointment by rotation;
- (c) Assessed the effectiveness and performance of the Board as a whole and the contribution of each individual Director. This was carried out through a self-assessment document that was completed by each Director. The assessment criteria include the following:
 - Board composition
 - Board process
 - Performance of Board Committees
 - Information provided to the Board
 - Role of the Board in strategy and planning
 - Risk management framework
 - Accountability and standard of conduct of Directors
- (d) Reviewed the terms of office of the ARMC and each member of the ARMC to ascertain that the AC and its member have carried out their duties in accordance with the ARMC's Terms of Reference;
- (e) Assessed and reviewed the independence and continuing independence of the Independent Directors;
- (f) Reviewed, assessed and recommended the remuneration packages of the Executive Directors and Senior Management;
- (g) Reviewed the Directors' fees and other benefits payable to Non-Executive Directors;
- (h) Reviewed the Remuneration Policy;
- (i) Reviewed the Directors' Fit and Proper Policy; and
- (j) Reviewed the Terms of Reference

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

CORPORATE GOVERNANCE STATEMENT

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**I. Board Responsibilities (Cont'd)****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.

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.

CORPORATE GOVERNANCE STATEMENT

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

I. Board Responsibilities (Cont'd)

9. Company Secretary

The Board is assisted by qualified and competent Company Secretary 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 Secretary for the purpose of the conduct of the Board's affairs and the business.

The Company Secretary constantly keep himself abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through attendance at relevant conferences and training programmes. The Company Secretary has also 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 Secretary in discharging its functions.

In addition, the Company Secretary is also accountable to the Board and is 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.

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.

CORPORATE GOVERNANCE STATEMENT

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**II. Board Composition (Cont'd)****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.

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 six (6) 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.

CORPORATE GOVERNANCE STATEMENT

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

II. Board Composition (Cont'd)

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 Secretary 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.

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.

CORPORATE GOVERNANCE STATEMENT

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

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 FY2025, the Board expressed satisfaction with the performance of the ARMC in discharging its responsibilities.

CORPORATE GOVERNANCE STATEMENT

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**I. ARMC (Cont'd)**

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 key audit partner of the 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 FYE2025, 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 FYE2025, 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	118,280	56,500
Non-Audit services rendered	21,200	21,200

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.

CORPORATE GOVERNANCE STATEMENT

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**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 FYE2025 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 with approximately twenty (20) years of professional experience in financial due diligence, internal audit, enterprise risk management system and internal controls reviews. Details on the person responsible for the internal audit are set out below:

Name	Wong Tchen Cheg
Qualification	Associate Member of The Institute of Internal Auditors Malaysia (IIAM), 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.

CORPORATE GOVERNANCE STATEMENT

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 disclosure 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 year ended 31 December 2025 (“**FYE2025**”), the ARMC held five (5) meetings and the records of the attendance of the ARMC members are as follow:

Directors	Designation	Number of meetings attended	%
Lee Lean Suan	Chairman	5/5	100%
Dato’ Haji Abdul Wahabi bin Abdullah	Member	5/5	100%
Adam Muralidharan bin Abdullah	Member	5/5	100%
Dato’ Ir. Haji Mohamad bin Dalib	Member	5/5	100%

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 FYE2025, 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 FYE2025;
- 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

SUMMARY ACTIVITIES (CONT'D)

The activities of the ARMC during the FYE2025, 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 FYE2025 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 FYE2025, 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;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION (CONT'D)

During the FYE2025, 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 (“**AMLR**”) of the Bursa Malaysia Securities Berhad (“**Bursa Securities**”), as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, and upon considering the recommendations of Malaysian Code on Corporate Governance.

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.

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.

The key steps in the risk management process are outlined on the following and provide a structured approach to identifying, assessing, and managing risks.

- **Risk Governance & Context**
Defines strategic objectives, risk appetite, and the operating environment within which risks are managed.
- **Risk Identification**
Systematic identification of internal and external risks that may affect the achievement of strategic and operational objectives.
- **Risk Assessment**
Evaluation of risk likelihood and impact, taking account of existing controls and mitigation measures.
- **Risk Prioritisation**
Comparison of assessed risks against defined thresholds to determine relative significance and management focus.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT FRAMEWORK (CONT'D)

- **Risk Appetite**
The Board has determined that the Group maintains a moderate risk appetite in pursuit of its strategic and operational objectives. The Group has low tolerance for risks that may result in regulatory non-compliance, health and safety incidents, ethical breaches, or material damage to its reputation, and such risks are generally avoided or reduced to acceptable levels. A measured level of risk is accepted in areas relating to operational execution, project delivery, talent management, and market dynamics where risks are inherent to the business and are managed through established controls and oversight mechanisms. Financial risks are managed conservatively, with emphasis on liquidity preservation, credit discipline, and cost control. Risks assessed as high or critical under the Group's risk assessment matrix require immediate senior management attention and Board oversight, while risks within medium and low thresholds are managed through routine controls and continuous improvement processes.
- **Risk Response**
Implementation of proportionate actions to mitigate, manage, transfer, or accept risk exposures.
- **Monitoring, Reporting & Assurance**
Ongoing monitoring of risk outcomes, effectiveness of controls, and reporting through established governance structures.

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.

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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 2025 (“FYE2025”) was RM30,240.

During the FYE2025, 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 Effectiveness

The Board, with the assistance of the AC, had reviewed the adequacy and effectiveness of the Group’s risk management and internal control systems for FYE2025. Based on the reviews performed, including reports from Management and the Internal Audit function, the Board is of the view that the Group’s risk management and internal control systems were adequate and effective throughout the financial year under review.

The Board acknowledges that these systems are designed to manage risks within acceptable levels and are subject to inherent limitations. The Board remains committed to continuous improvement to address emerging risks and changes in the operating environment. In the course of its operations, the Group is exposed to risks associated with governance and compliance, project execution, including potential delays, scope changes, and customer-related disruptions that may impact project timelines, revenue recognition, and cash flow.

To mitigate such risks, the Group has implemented various measures such as the following:

- **Regulatory compliance**
The Group keeps abreast of the changes and regularly seeks updates to the regulatory requirements that affect the Group’s operations and necessary steps are taken to achieve compliance with the regulations as well as to assess and monitor the impact of such changes.

For this purpose, discussions are held with consultants, contractors, and lawyers on compliance and regulatory matters. Apart from that, training is provided to staff by internal and external parties to keep them abreast of changes in laws, regulations and standards. The responsibilities for regulatory compliances are cascaded to relevant Heads of Departments to achieve compliance and reporting.

- **Health, Safety and Environmental**
Ongoing monitoring, combined with internal and external training ensures staff competence, reinforce adherence to procedures, and strengthens safety culture. Lessons from audits and regulatory reviews are applied to drive continuous improvement.
- **Robust Project Planning and Execution**
Implementing comprehensive project scheduling with clearly defined milestones and deliverables, backed by contract with customers. This includes resource allocation plans, critical path analysis, and regular progress monitoring to proactively identify and address potential delays.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Rule 15.23 of the AMLR of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Control for the inclusion in this Annual Report for FY 2025. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide (“AAPG”) 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to consider whether this Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control system.

Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention that caused them to believe that this Statement on Risk Management and Internal Control is not prepared in all material aspects, in accordance with the disclosures required by Section 7 of the Statement in Risk Management and Internal Control: Guidelines for Directors of Listed Issuer, nor is factually inaccurate.

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 20 April 2026.

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 the Company for the financial year ended 31 December 2025, 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.



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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 2025.

Principal Activities

The principal activities of the Company consist of providing lorry transport services, hiring of trucks, warehousing/maintenance services and other logistics services, buy, lease and sell of aircraft. The principal activities of its subsidiary companies are in the provision of trucking, land transportation, courier services, aircraft leasing activities and investment holding.

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	<u>(4,555,469)</u>	<u>6,022,320</u>
Attributable to:		
Owners of the parent	(4,546,522)	6,022,320
Non-controlling interests	<u>(8,947)</u>	<u>-</u>
	<u>(4,555,469)</u>	<u>6,022,320</u>

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.

DIRECTORS' REPORT

Issue of Shares and Debentures

There was no issuance of shares or 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

The Directors in office since the beginning of the current 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 current financial year up to the date of this report:

Ameline Ong Lay Ling
Wan Chun Choong
Hisham Bin Halim

** Director of the Company and its subsidiary companies*

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

DIRECTORS' REPORT

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 31.12.2025
	At 1.1.2025	Bought	Sold	
Interests in the Company				
Direct interests				
Alan Ong Lay Wooi	357,600,000	-	-	357,600,000
Angeline Ong Lay Shee	178,800,000	-	-	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	2,250,000	240,000	-	2,490,000
Tan Soo Mooi	400,000	-	-	400,000
Dato' Ir. Haji Mohamad Bin Dalib	50,000	-	-	50,000
Indirect interests				
Angeline Ong Lay Shee #	357,600,000	-	-	357,600,000
Adeline Ong Lay Suen #	357,600,000	-	-	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.

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' REPORT

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 disclosed in the "Directors' Remuneration") 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.

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 operate.

Directors' Remuneration

The details of the Directors' remuneration for the financial year ended 31 December 2025 are set out below:

	Group RM	Company RM
Executive Directors		
Salaries and other emoluments	1,832,740	1,766,000
Defined contribution plans	237,926	229,580
Social security contributions	5,325	4,178
	<u>2,075,991</u>	<u>1,999,758</u>
Estimated value of benefit-in-kind	60,800	60,800
	<u>2,136,791</u>	<u>2,060,558</u>
Non-executive Directors		
Fees	207,000	207,000
Other emoluments	84,513	84,513
	<u>291,513</u>	<u>291,513</u>
Total Directors' Remuneration	<u>2,428,304</u>	<u>2,352,071</u>

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.

DIRECTORS' REPORT

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.
- (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.

DIRECTORS' REPORT

Other Statutory Information (Cont'd)

(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.

Auditors' Remuneration

The details of the auditors' remuneration for the financial year ended 31 December 2025 are as follows:

	Group RM	Company RM
Auditors' remuneration		
- Statutory audits		
- UHY Malaysia PLT	118,280	56,500
- Other auditors	10,426	-
	<u>128,706</u>	<u>56,500</u>
- Other services		
- UHY Malaysia PLT	21,200	21,200
	<u>149,906</u>	<u>77,700</u>

DIRECTORS' REPORT

Auditors

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

Signed on behalf of the Board of Directors, as approved by the Board of Directors in accordance with a resolution of the Directors,

ALAN ONG LAY WOUI

ANGELINE ONG LAY SHEE

KUALA LUMPUR

20 April 2026

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

We, Alan Ong Lay Wooi and Angeline Ong Lay Shee, being two of the Directors of Sin-Kung Logistics Berhad, 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 provisions 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 2025 and of their financial performance and cash flows for the financial year then ended.

Signed in accordance with
a resolution of the Directors,

ALAN ONG LAY WOUI

ANGELINE ONG LAY SHEE

KUALA LUMPUR

20 April 2026

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

I, ALAN ONG LAY WOUI, 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 Kuala Lumpur in)
the Federal Territory on 20 April 2026)

ALAN ONG LAY WOUI

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 2025 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 129 to 228.

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 2025, 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"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

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

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
<p>Impairment assessment of goodwill</p> <p>The Group's goodwill balance as at 31 December 2025 stood at RM14.1 million.</p> <p>Goodwill is subject to annual impairment testing. We focused on this area as the determination of recoverable amounts of cash-generating-unit ("CGU") based on value in use and fair value less costs of disposal approach by management involved a significant degree of judgement and assumptions.</p>	<p>Our audit procedures for recoverable amount of CGU that is valued at value in use include the following:</p> <ul style="list-style-type: none"> • Assessed the reliability of management's forecast through the review of past trends of actual financial performances against previous forecasted results. • Assessed the key assumptions on which the cash flow projections are based, by amongst others, comparing them against business plans, historical results and market data. • Evaluated the appropriateness of the discount rate used to determine the present value of the cash flows and whether the rate used reflects the current market assessments of the time value of money and the risks specific to the asset. • Performed sensitivity analysis on key assumptions to evaluate impact on the impairment assessment. • Assessed the adequacy and reasonableness of the disclosures in the financial statements.

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

Key Audit Matters (Cont'd)

We have determined that there is no key audit matter in the audit of the financial statements of the Company to be communicated in our Auditors' Report.

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.

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

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.
- 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.

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

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)

- 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 Group financial statements. 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.

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

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) & AF1411
Chartered Accountants

YEOH AIK CHUAN
Approved Number: 02239/07/2026 J
Chartered Accountant

KUALA LUMPUR

20 April 2026

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	121,893,479	88,444,500	102,635,748	79,080,979
Investment properties	5	12,625,277	12,625,277	-	-
Right-of-use assets	6	73,825,097	44,431,072	44,400,750	44,431,072
Investment in subsidiary companies	7	-	-	31,351,726	546,626
Other investments	8	5,000	5,000	5,000	5,000
Goodwill on consolidation	9	14,099,536	-	-	-
Total non-current assets		<u>222,448,389</u>	<u>145,505,849</u>	<u>178,393,224</u>	<u>124,063,677</u>
Current assets					
Inventories	10	3,129,152	2,911,594	2,885,796	2,911,594
Trade receivables	11	6,647,328	6,612,232	6,387,699	6,508,785
Other receivables	12	6,801,571	6,049,429	4,718,318	5,862,390
Amount due from subsidiary companies	13	-	-	33,311,572	26,349,203
Tax recoverable		179,667	384,647	66,331	369,847
Cash and bank balances		20,087,319	21,904,324	16,493,268	20,562,709
Total current assets		<u>36,845,037</u>	<u>37,862,226</u>	<u>63,862,984</u>	<u>62,564,528</u>
Total assets		<u>259,293,426</u>	<u>183,368,075</u>	<u>242,256,208</u>	<u>186,628,205</u>

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
EQUITY					
Share capital	14	32,749,397	32,749,397	32,749,397	32,749,397
Reserves	15	46,973,784	51,498,140	60,826,014	54,803,694
Equity attributable to owners of the parent		79,723,181	84,247,537	93,575,411	87,553,091
Non-controlling interests		54,119	63,066	-	-
Total equity		79,777,300	84,310,603	93,575,411	87,553,091
LIABILITIES					
Non-current liabilities					
Lease liabilities	16	33,151,826	10,947,457	10,946,132	10,947,457
Loans and borrowings	17	102,796,490	65,375,010	102,796,490	65,375,010
Deferred tax liabilities	18	7,108,706	5,677,597	6,485,211	5,677,597
Total non-current liabilities		143,057,022	82,000,064	120,227,833	82,000,064
Current liabilities					
Trade payables	19	651,693	219,341	434,499	219,341
Other payables	20	5,976,087	7,257,081	3,975,811	6,958,162
Amount due to subsidiary companies	13	-	-	647,521	318,327
Lease liabilities	16	12,657,199	5,797,399	6,224,628	5,797,399
Loans and borrowings	17	17,170,505	3,781,821	17,170,505	3,781,821
Provision for taxation		3,620	1,766	-	-
Total current liabilities		36,459,104	17,057,408	28,452,964	17,075,050
Total liabilities		179,516,126	99,057,472	148,680,797	99,075,114
Total equity and liabilities		259,293,426	183,368,075	242,256,208	186,628,205

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 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	21	62,748,497	54,159,147	59,905,576	53,544,006
Cost of sales		<u>(43,556,702)</u>	<u>(31,396,728)</u>	<u>(34,965,316)</u>	<u>(31,554,640)</u>
Gross profit		19,191,795	22,762,419	24,940,260	21,989,366
Other income		2,209,862	638,090	1,628,660	1,418,777
Administrative expenses		(19,478,203)	(15,549,439)	(14,702,355)	(14,844,742)
Net (loss)/gain on impairment of financial instruments		<u>-</u>	<u>-</u>	<u>(107,620)</u>	<u>15,644</u>
Profit from operations		1,923,454	7,851,070	11,758,945	8,579,045
Finance costs	22	<u>(5,027,316)</u>	<u>(4,329,442)</u>	<u>(4,249,107)</u>	<u>(4,051,688)</u>
(Loss)/Profit before tax	23	(3,103,862)	3,521,628	7,509,838	4,527,357
Taxation	24	<u>(1,451,607)</u>	<u>(4,235,241)</u>	<u>(1,487,518)</u>	<u>(4,097,370)</u>
(Loss)/Profit for the financial year		<u>(4,555,469)</u>	<u>(713,613)</u>	<u>6,022,320</u>	<u>429,987</u>

STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Other comprehensive income, Item that are or maybe reclassified subsequently to profit or loss					
Exchange translation differences of foreign operations		22,166	6,515	-	-
Total comprehensive (loss)/income for the financial year		<u>(4,533,303)</u>	<u>(707,098)</u>	<u>6,022,320</u>	<u>429,987</u>
(Loss)/Profit for the financial year attributable to:					
Owners of the parent		(4,546,522)	(711,329)	6,022,320	429,987
Non-controlling interests		(8,947)	(2,284)	-	-
		<u>(4,555,469)</u>	<u>(713,613)</u>	<u>6,022,320</u>	<u>429,987</u>
Total comprehensive (loss)/income for the financial year attributable to:					
Owners of the parent		(4,524,356)	(704,814)	6,022,320	429,987
Non-controlling interests		(8,947)	(2,284)	-	-
		<u>(4,533,303)</u>	<u>(707,098)</u>	<u>6,022,320</u>	<u>429,987</u>
Loss per share					
Basic loss per share (sen)	25	<u>(0.38)</u>	<u>(0.06)</u>		
Diluted loss per share (sen)	25	<u>(0.38)</u>	<u>(0.06)</u>		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group 2025	Attributable to owners of the parent						
	Non-distributable		Distributable			Non- controlling interests RM	Total equity RM
	Share capital RM	Foreign currency translation reserve RM	Retained earnings RM	Total RM	Total equity RM		
At 1 January 2025	32,749,397	(18,096)	51,516,236	84,247,537	63,066	84,310,603	
Loss for the financial year	-	-	(4,546,522)	(4,546,522)	(8,947)	(4,555,469)	
Other comprehensive income for the financial year:							
Foreign currency translation reserve	-	22,166	-	22,166	-	22,166	
Total comprehensive income/(loss) for the financial year	-	22,166	(4,546,522)	(4,524,356)	(8,947)	(4,533,303)	
At 31 December 2025	32,749,397	4,070	46,969,714	79,723,181	54,119	79,777,300	

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	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	Total equity RM
Group (Cont'd)							
2024							
At 1 January 2024	8,000,000	(24,611)	52,227,565	60,202,954	65,350	60,268,304	60,268,304
Loss for the financial year	-	-	(711,329)	(711,329)	(2,284)	(713,613)	(713,613)
Other comprehensive income for the financial year:							
Foreign currency translation reserve	-	6,515	-	6,515	-	6,515	6,515
Total comprehensive income/(loss) for the financial year	-	6,515	(711,329)	(704,814)	(2,284)	(707,098)	(707,098)
Transactions with owners:							
- Issuance of shares pursuant to Initial Public Offering	26,000,000	-	-	26,000,000	-	26,000,000	26,000,000
- Share issuance expenses	(1,250,603)	-	-	(1,250,603)	-	(1,250,603)	(1,250,603)
	24,749,397	-	-	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	84,310,603

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STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	<u>Non- distributable</u> Share capital RM	<u>Distributable</u> Retained earnings RM	Total equity RM
Company				
At 1 January 2025		32,749,397	54,803,694	87,553,091
Profit for the financial year, representing total comprehensive income for the financial year		-	6,022,320	6,022,320
At 31 December 2025		<u>32,749,397</u>	<u>60,826,014</u>	<u>93,575,411</u>
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	14	26,000,000	-	26,000,000
- Share issuance expenses	14	(1,250,603)	-	(1,250,603)
		<u>24,749,397</u>	-	<u>24,749,397</u>
At 31 December 2024		<u>32,749,397</u>	<u>54,803,694</u>	<u>87,553,091</u>

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from operating activities					
(Loss)/Profit before tax		(3,103,862)	3,521,628	7,509,838	4,527,357
Adjustments for:					
Amortisation of right-of-use assets		7,732,524	3,862,406	4,331,322	3,862,406
Depreciation of property, plant and equipment		2,912,479	1,635,104	2,101,620	1,631,752
Dividend income		-	-	-	(140,000)
Finance costs		5,027,316	4,329,442	4,249,107	4,051,688
Gain on disposal of property, plant and equipment		(132,671)	(9,999)	(132,671)	(9,999)
Impairment losses on amount due from subsidiary companies		-	-	107,620	37,354
Interest income		(427,252)	(388,965)	(1,206,225)	(1,063,999)
Gain on disposal of right-of-use assets		(83,063)	-	(83,063)	-
Loss on modification of lease terms		1	2,245	1	2,245
Loss on expiration of lease terms		4	-	4	-
Reversal of impairment losses on amount due from subsidiary companies		-	-	-	(52,998)
Property, plant and equipment written off		10	-	-	-
Unrealised (gain)/loss on foreign exchange		(1,288,117)	17,409	(166,488)	6,546
Operating profit before working capital changes carried down		10,637,369	12,969,270	16,711,065	12,852,352

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from operating activities (Cont'd)					
Operating profit before working capital changes brought down		10,637,369	12,969,270	16,711,065	12,852,352
Changes in working capital:					
Inventories		(4,328)	7,002	25,798	7,002
Trade receivables		328,878	1,367,183	136,132	1,404,316
Other receivables		(2,619,420)	(46,665)	(925,929)	(104,734)
Trade payables		168,343	32,960	215,158	32,960
Other payables		661,400	397,888	225,890	457,581
Subsidiary companies		-	-	333,194	134,054
		<u>(1,465,127)</u>	<u>1,758,368</u>	<u>10,243</u>	<u>1,931,179</u>
Cash generated from operations		9,172,242	14,727,638	16,721,308	14,783,531
Tax paid		(507,555)	(2,198,166)	(382,724)	(2,024,869)
Tax refunded		16,376	13,663	6,336	-
		<u>(491,179)</u>	<u>(2,184,503)</u>	<u>(376,388)</u>	<u>(2,024,869)</u>
Net cash from operating activities		<u>8,681,063</u>	<u>12,543,135</u>	<u>16,344,920</u>	<u>12,758,662</u>

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from investing activities					
Acquisition of property, plant and equipment	4(b)	(3,393,609)	(598,225)	(3,208,682)	(558,696)
Acquisition of right-of-use assets	6(b)	(2,516,764)	(71,760)	(27,448)	(71,760)
Net cash outflow from acquisition of a subsidiary company	7(b)	12,742	-	-	-
Incidental acquisition cost paid		-	-	(62,100)	-
Additional investment in a subsidiary company		-	-	(10,000,000)	-
Advances to subsidiary companies		-	-	(7,073,989)	(7,450,308)
Deposits paid for acquiring a subsidiary company		-	(2,070,000)	-	(2,070,000)
Dividend received		-	-	-	140,000
Interest received		427,252	388,965	1,206,225	1,063,999
Incorporation of subsidiary companies		-	-	(43,000)	-
Proceeds from disposal of property, plant and equipment		236,278	10,000	236,278	10,000
Proceeds from disposal of right-of-use assets		268,256	-	268,256	-
Net cash used in investing activities		<u>(4,965,845)</u>	<u>(2,341,020)</u>	<u>(18,704,460)</u>	<u>(8,936,765)</u>

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from financing activities					
Interest paid		(5,027,316)	(4,329,442)	(4,249,107)	(4,051,688)
Payments of lease liabilities	28	(9,920,018)	(5,968,915)	(6,859,059)	(5,968,915)
Payments of share issuance expenses	14	-	(1,250,603)	-	(1,250,603)
Drawdown of term loan		3,519,238	-	3,519,238	-
Net changes in revolving credit	28	11,000,000	-	11,000,000	-
Proceeds from issuance of shares pursuant to Initial Public Offering	14	-	26,000,000	-	26,000,000
Repayment of term loans	28	(5,272,415)	(12,887,900)	(5,272,415)	(6,786,426)
Net cash (used in)/from financing activities		<u>(5,700,511)</u>	<u>1,563,140</u>	<u>(1,861,343)</u>	<u>7,942,368</u>

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Net (decrease)/increase in cash and cash equivalents		(1,985,293)	11,765,255	(4,220,883)	11,764,265
Cash and cash equivalents at the beginning of the financial year		21,904,324	10,148,700	20,562,709	8,798,458
Effect of exchange translation differences on cash and bank balances		168,288	(9,631)	151,442	(14)
Cash and cash equivalents at the end of the financial year		20,087,319	21,904,324	16,493,268	20,562,709
Cash and cash equivalents at the end of the financial year comprise:					
Cash and bank balances		20,087,319	21,904,324	16,493,268	20,562,709

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash outflow for leases as a lessee					
Included in operating activities:					
Interest paid in relation to leases liabilities	22	2,045,275	1,035,795	1,267,066	1,035,795
Payment relating to low value assets	23	-	10,674	-	10,674
Payment relating to short-term leases	23	105,348	77,570	123,348	95,570
		2,150,623	1,124,039	1,390,414	1,142,039
Included in financing activity:					
Payment of lease liabilities	16	(11,965,293)	(7,004,710)	(8,126,125)	(7,004,710)
Total cash outflows for leases		(9,814,670)	(5,880,671)	(6,735,711)	(5,862,671)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

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, warehousing/maintenance services and other logistics services, buy, lease and sell of aircraft. The principal activities of its subsidiary companies are in the provision of trucking, land transportation, courier services, aircraft leasing activities and investment holding. 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 (“MFRS”), International Financial Reporting Standards 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards

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

Amendments to MFRS 121 Lack of Exchangeability

The adoption of the amendments to standards 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:

		<u>Effective dates for financial periods beginning on or after</u>
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to MFRS Volume 11:	Accounting Standards –	1 January 2026
<ul style="list-style-type: none"> • Amendments to MFRS 1 • Amendments to MFRS 7 • Amendments to MFRS 9 • Amendments to MFRS 10 • Amendments to MFRS 107 		
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 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency	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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

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 standards and amendments to standards, if applicable, when they become effective.

The new MFRSs and Amendments to MFRSs above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes in presentation and disclosures of financial information arising from the adoption of these Amendments to MFRSs as discussed below:

MFRS 18 *Presentation and Disclosure in Financial Statement*

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 *Statement of Cash Flows* and some requirements of MFRS 101 have been moved to MFRS 108 *Basis of Preparation of Financial Statements*.

MFRS 18 additional requirements are as follows:

(i) Statement of Profit or Loss and Other Comprehensive Income

MFRS 18 introduces newly defined “operating profit or loss” and “profit or loss before financing and income tax” subtotal which are to be presented in the statement of profit or loss, while the net profit or loss remains unchanged. Statement of profit or loss to be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

(ii) Statement of Cash Flows

The standard modifies the starting point for calculating cash flows from operations using the indirect method, shifting from “profit or loss” to “operating profit or loss”. It also provides guidance on classification of interest and dividend in statement of cash flows.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

2. **Basis of Preparation (Cont'd)**

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

MFRS 18 *Presentation and Disclosure in Financial Statement (Cont'd)*

MFRS 18 additional requirements are as follows: (Cont'd)

(iii) New disclosures of expenses by nature

Entities are required to present expenses in the operating category by nature, function or a mix of both. MFRS 18 includes guidance for entities to assess and determine which approach is most appropriate based on the facts and circumstances.

(iv) Management-defined Performance Measures (MPMs)

The standard requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to MPMs. MPMs are required to be reconciled to the most similar specified subtotal in MFRS Accounting Standards.

(v) Enhanced Guidance on Aggregation and Disaggregation

MFRS 18 provides enhanced guidance on grouping items based on shared characteristics and requires disaggregation when items have dissimilar characteristics or when such disaggregation is material.

The potential impact of the new standard on the financial statements of the Group and of the Company have 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) Significant accounting judgements, estimates and assumptions

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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

2. **Basis of Preparation (Cont'd)**

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

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:

Classification between investment properties and property, plant and equipment

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.

Determining the lease term of contracts with renewal options - Group and Company as lessee

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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

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:

Depreciation and useful lives of property, plant and equipment, right-of-use (“ROU”) assets and investment properties

The Group and the Company review the residual values, useful lives and depreciation methods at the end of each reporting period. Judgements are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment, ROU assets and investment properties may differ from the estimates applied and therefore, future depreciation charges could be revised. 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.

Discount rate used in leases

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 right-of-use 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of cash-generating units to which the goodwill is allocated. Estimating the value in use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value in use is disclosed in Note 9.

Impairment of investment in subsidiary companies

The Company reviews its investment in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

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 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/or deferred tax provisions in the period in which such determination is made. As at 31 December 2025, the Group has tax recoverable and tax payable of RM179,667 (2024: RM384,647) and RM3,620 (2024: RM1,766) respectively. As at 31 December 2025, the Company has tax recoverable of RM66,331 (2024: RM369,847).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. Material Accounting Policies

The Group and the Company apply the material accounting policies set out below, consistently throughout all periods presented in financial statements 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. Material Accounting Policies (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) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)

(b) Foreign currency translation (Cont'd)

(i) Foreign currency transactions and balances (Cont'd)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM are translated to RM at the rate of exchange prevailing at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. When a foreign operation is disposed off such that control or significant influence is lost, the cumulative amount in the FCTR related that foreign operations reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(i)(i) on impairment on non-financial assets.

(i) Recognition and measurement

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced component is derecognised. All other repair and maintenance are recognised in profit or loss during the financial year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)

(c) Property, plant and equipment (Cont'd)

(i) Recognition and measurement (Cont'd)

Subsequent to initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Depreciation

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% - 10%
Plant and machinery	10%
Furniture, fittings, office equipment and renovation	10% - 20%
Motor/Commercial vehicles	10%
Aircraft equipment, communication equipment and aircraft shelter	1.82% - 20%

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)

(d) Leases

As lessee

The Group and the Company recognise a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(i)(i) on impairment on non-financial assets.

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%
Aircraft	Over the remaining lease term

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)

(d) Leases (Cont'd)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group or the Company changes its assessment of whether it will exercise an extension or termination option.

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.

(e) 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.

(f) 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)

(f) Financial assets (Cont'd)

(i) 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 method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(ii) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)

(f) Financial assets (Cont'd)

(iii) 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)

(g) 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.

(h) Inventories

Spare parts and consumables are stated at the lower of cost and net realisable value.

Cost of spare parts and consumables 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)

(i) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

(ii) Financial 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)

(i) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

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.

(j) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

(k) Employee benefit

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur. The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)

(k) Employee benefit (Cont'd)

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund (“EPF”). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(l) 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.

Revenue from rendering of 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.

(iv) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(v) Dividend income

Dividend income is recognised when the Company’s right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)

(m) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)

(n) Borrowing costs (Cont'd)

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(o) Statement of cash flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows. Cash and cash equivalent comprise cash and bank balances that are readily convertible into cash with insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

4. Property, Plant and Equipment

Group 2025	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	Aircraft equipment, communication equipment and aircraft shelter RM	Total RM
Cost	14,652,526	30,905,753	3,740,281	6,781,223	37,209,768	37,790,891	-	131,080,442
Acquisition through business combination	-	10,591,420	-	118,731	35,000	-	707,461	11,452,612
(Note 7)	-	138,089	79,350	1,214,494	-	22,933,342	124,675	24,489,950
Additions	-	-	-	-	(630,692)	-	-	(630,692)
Disposals	-	-	-	(11,356)	-	-	(10,848)	(22,204)
Written off	-	-	-	-	-	-	-	-
Transfer from right-of-use assets (Note 6)	-	-	-	161,505	3,304,750	-	2,484,157	5,950,412
Foreign currency translation differences	-	-	-	(1,032)	-	-	-	(1,032)
At 31 December 2025	14,652,526	41,635,262	3,819,631	8,263,565	39,918,826	60,724,233	3,305,445	172,319,488

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

4. Property, Plant and Equipment (Cont'd)

Group (Cont'd) 2025	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	Aircraft equipment, communication equipment and aircraft shelter RM	Total RM
Accumulated depreciation								
At 1 January 2025	-	2,504,508	2,804,622	5,066,117	32,260,695	-	-	42,635,942
Acquisition through business combination (Note 7)	-	2,591,421	-	106,058	31,500	-	687,638	3,416,617
Charge for the financial year	-	1,101,736	140,565	359,779	1,298,811	-	11,588	2,912,479
Disposals	-	-	-	-	(527,085)	-	-	(527,085)
Written off	-	-	-	(11,353)	-	-	(10,841)	(22,194)
Transfer from right-of-use assets (Note 6)	-	-	-	64,602	1,946,680	-	-	2,011,282
Foreign currency translation differences	-	-	-	(1,032)	-	-	-	(1,032)
At 31 December 2025	-	6,197,665	2,945,187	5,584,171	35,010,601	-	688,385	50,426,009
Carrying amount								
At 31 December 2025	14,652,526	35,437,597	874,444	2,679,394	4,908,225	60,724,233	2,617,060	121,893,479

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

4. Property, Plant and Equipment (Cont'd)

Group 2024 Cost	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
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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

4. Property, Plant and Equipment (Cont'd)

Group (Cont'd) 2024	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
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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

4. Property, Plant and Equipment (Cont'd)

Company 2025 Cost	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
At 1 January 2025	5,308,526	30,885,753	3,740,281	6,761,586	35,978,523	37,790,891	120,465,560
Additions	-	138,089	79,350	1,154,242	-	22,933,342	24,305,023
Disposals	-	-	-	-	(630,692)	-	(630,692)
Transfer from right-of-use assets (Note 6)	-	-	-	161,505	3,304,750	-	3,466,255
At 31 December 2025	5,308,526	31,023,842	3,819,631	8,077,333	38,652,581	60,724,233	147,606,146

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

4. Property, Plant and Equipment (Cont'd)

Company (Cont'd) 2025	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
Accumulated depreciation							
At 1 January 2025	-	2,504,025	2,804,622	5,046,047	31,029,887	-	41,384,581
Charge for the financial year	-	309,993	140,565	355,749	1,295,313	-	2,101,620
Disposals	-	-	-	-	(527,085)	-	(527,085)
Transfer from right-of-use assets (Note 6)	-	-	-	64,602	1,946,680	-	2,011,282
At 31 December 2025	-	2,814,018	2,945,187	5,466,398	33,744,795	-	44,970,398
Carrying amount							
At 31 December 2025	5,308,526	28,209,824	874,444	2,610,935	4,907,786	60,724,233	102,635,748

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

4. Property, Plant and Equipment (Cont'd)

Company 2024 Cost	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
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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

4. Property, Plant and Equipment (Cont'd)

Company (Cont'd) 2024	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
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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

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 17(a) to the financial statements are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Freehold land	14,652,526	14,652,526	5,308,526	5,308,526
Freehold building	30,827,034	28,401,245	28,209,824	28,381,728
Capital work-in-progress	60,724,233	37,790,891	60,724,233	37,790,891
	<u>106,203,793</u>	<u>80,844,662</u>	<u>94,242,583</u>	<u>71,481,145</u>

(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, other payables and cash payments are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Aggregate costs	24,489,950	29,631,437	24,305,023	29,631,437
Less: Loan financing	(22,933,341)	(27,196,212)	(22,933,341)	(27,235,741)
Less: Balances in respect of acquisition of property, plant and equipment included in other payables				
- at the end of year	-	(1,837,000)	-	(1,837,000)
- at the beginning of year	1,837,000	-	1,837,000	-
Cash payments	<u>3,393,609</u>	<u>598,225</u>	<u>3,208,682</u>	<u>558,696</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

4. Property, Plant and Equipment (Cont'd)

(c) Capitalisation of borrowing costs

The amount of borrowing cost capitalised during the financial year for work-in-progress of the Group and of the Company amounting to RM2,653,341 (2024: RM Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation was 5.16% - 5.76% (2024:RM Nil) which is the effective interest rate of specific borrowing.

5. Investment Properties

	Group	
	2025	2024
	RM	RM
Freehold land		
At cost		
At 1 January/31 December	<u>12,625,277</u>	<u>12,625,277</u>
Fair value of investment properties	<u>12,750,000</u>	<u>12,750,000</u>

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.

Investment properties pledged as securities to financial institutions

Investment properties of the Group amounting to RM12,625,227 (2024: RM12,625,277) are pledged as securities for loans and borrowings as disclosed in Note 17(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

6. Right-of-Use Assets

Group 2025 Cost	Leasehold land and building RM	Buildings RM	Computer software and equipment RM	Motor/ Commercial vehicles RM	Plant and machinery RM	Aircraft RM	Total RM
At 1 January 2025	18,518,423	2,746,883	161,505	27,035,389	6,106,663	-	54,568,863
Acquisition through business combination (Note 7)	-	148,118	-	-	-	-	148,118
Additions	-	1,615,497	502,132	4,485,508	-	34,608,156	41,211,293
Modification of lease terms	-	(31,524)	-	-	-	-	(31,524)
Expiration of lease terms	-	(2,468,004)	-	-	-	-	(2,468,004)
Disposals	-	-	-	(340,140)	-	-	(340,140)
Transfer to property, plant and equipment (Note 4)	-	-	(161,505)	(3,304,750)	-	(2,484,157)	(5,950,412)
At 31 December 2025	18,518,423	2,010,970	502,132	27,876,007	6,106,663	32,123,999	87,138,194

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

6. Right-of-Use Assets (Cont'd)

Group (Cont'd) 2025	Leasehold land and building RM	Buildings RM	Computer software and equipment RM	Motor/ Commercial vehicles RM	Plant and machinery RM	Aircraft RM	Total RM
Accumulated amortisation							
At 1 January 2025	315,033	1,932,127	64,602	6,420,325	1,405,704	-	10,137,791
Acquisition through business combination (Note 7)	-	53,487	-	-	-	-	53,487
Charge for the financial year	199,275	1,055,158	19,667	2,516,434	600,238	3,341,752	7,732,524
Modification of lease terms	-	(31,523)	-	-	-	-	(31,523)
Expiration of lease terms	-	(2,468,000)	-	-	-	-	(2,468,000)
Disposals	-	-	-	(99,900)	-	-	(99,900)
Transfer to property, plant and equipment (Note 4)	-	-	(64,602)	(1,946,680)	-	-	(2,011,282)
At 31 December 2025	514,308	541,249	19,667	6,890,179	2,005,942	3,341,752	13,313,097
Carrying amount							
At 31 December 2025	18,004,115	1,469,721	482,465	20,985,828	4,100,721	28,782,247	73,825,097

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

6. Right-of-Use Assets (Cont'd)

Company 2025 Cost	Leasehold land and building RM	Buildings RM	Computer software and equipment RM	Motor/ Commercial vehicles RM	Plant and machinery RM	Total RM
At 1 January 2025	18,518,423	2,746,883	161,505	27,035,389	6,106,663	54,568,863
Additions	-	1,373,237	502,132	4,120,849	-	5,996,218
Modification of lease terms	-	(31,524)	-	-	-	(31,524)
Expiration of lease terms	-	(2,468,004)	-	-	-	(2,468,004)
Disposals	-	-	-	(340,140)	-	(340,140)
Transfer to property, plant and equipment (Note 4)	-	-	(161,505)	(3,304,750)	-	(3,466,255)
At 31 December 2025	18,518,423	1,620,592	502,132	27,511,348	6,106,663	54,259,158

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

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
Company (Cont'd)						
2025						
Accumulated amortisation						
At 1 January 2025	315,033	1,932,127	64,602	6,420,325	1,405,704	10,137,791
Charge for the financial year	199,275	999,763	19,667	2,512,379	600,238	4,331,322
Modification of lease terms	-	(31,523)	-	-	-	(31,523)
Expiration of lease terms	-	(2,468,000)	-	-	-	(2,468,000)
Disposals	-	-	-	(99,900)	-	(99,900)
Transfer to property, plant and equipment (Note 4)	-	-	(64,602)	(1,946,680)	-	(2,011,282)
At 31 December 2025	514,308	432,367	19,667	6,886,124	2,005,942	9,858,408
Carrying amount						
At 31 December 2025	18,004,115	1,188,225	482,465	20,625,224	4,100,721	44,400,750

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

6. Right-of-Use Assets (Cont'd)

Group and Company 2024 Cost	Leasehold land and building RM	Buildings RM	Computer software and equipment RM	Motor/ Commercial vehicles RM	Plant and machinery RM	Total RM
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)
31 December 2024	18,518,423	2,746,883	161,505	27,035,389	6,106,663	54,568,863

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

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 (Cont'd)						
2024						
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)
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 2025

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 16 to the financial statements are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Computer software and equipment	482,465	96,903	482,465	96,903
Motor/Commercial vehicles	20,985,828	20,615,064	20,625,224	20,615,064
Plant and machinery	4,100,721	4,700,959	4,100,721	4,700,959
	<u>25,569,014</u>	<u>25,412,926</u>	<u>25,208,410</u>	<u>25,412,926</u>

- (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, other payables and cash payments are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Aggregate costs	41,211,293	8,692,954	5,996,218	8,692,954
Less: Lease financing	(40,065,769)	(4,980,194)	(7,340,010)	(4,980,194)
Less: Balances in respect of acquisition of right-of-use assets included in other payables				
- at the end of year	(2,269,760)	(3,641,000)	(2,269,760)	(3,641,000)
- at the beginning of year	3,641,000	-	3,641,000	-
Cash payments	<u>2,516,764</u>	<u>71,760</u>	<u>27,448</u>	<u>71,760</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

6. Right-of-Use Assets (Cont'd)

(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 17(a) to the financial statements are as follows:

	Group and Company	
	2025	2024
Leasehold land and building	<u>18,004,115</u>	<u>18,203,390</u>

(d) The remaining period of the lease term of the right-of-use assets are as follows:

	Group and Company	
	2025	2024
Leasehold land and building	<u>91 years</u>	<u>92 years</u>

(e) The Group and the Company lease several buildings with lease terms ranging from 2 to 6 years (2024: 2 to 6 years). These leases include options to extend the agreements upon expiry, subject to mutual agreement with the lessors.

(f) The Group leases several aircraft with lease terms ranging from 12 to 55 months (2024: Nil). These leases include options to extend the arrangements upon expiry, subject to mutual agreement with the lessors.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

7. Investment in Subsidiary Companies

	Company	
	2025	2024
	RM	RM
In Malaysia:		
Unquoted shares, at cost	546,626	546,626
Acquisition during the financial year	30,805,100	-
	31,351,726	546,626
Outside Malaysia:		
Unquoted shares, at cost	5,556	5,556
Less: Accumulated impairment losses	(5,556)	(5,556)
	-	-
	31,351,726	546,626

Movements in the allowance for impairment losses of the investment in subsidiary companies are as follows:

	Company	
	2025	2024
	RM	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		Principal activities
		2025 %	2024 %	
Bayan Berjasa Sdn. Bhd.	Malaysia	100	100	Provision of trucking and land transportation services

NOTES TO THE FINANCIAL STATEMENTS
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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		Principal activities
		2025 %	2024 %	
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
Sin-Kung Airways Sdn. Bhd.	Malaysia	100	-	Selling and leasing aircraft, provision of air transportation for passenger and cargo, aircraft maintenance, repair and overhaul
Sin-Kung Leasing Pte. Ltd. **	Malaysia	100	-	Providing aircraft leasing activities

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

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		Principal activities
		2025 %	2024 %	
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. This subsidiary company is currently dormant.

**Newly incorporated, consolidated based on management accounts. This subsidiary company is currently dormant.

(a) Incorporation of subsidiary company

On 18 November 2025, the Company incorporated a wholly-owned subsidiary company in Labuan, Malaysia under the name of Sin-Kung Leasing Pte Ltd (“SKLPL”) with an initial paid-up share capital of USD10,000 comprising of 10,000 ordinary shares. The intended principal activity of “SKLPL” is business of leasing aircraft.

(b) Acquisition of subsidiary company

On 12 March 2025, the Company has acquired the entire equity interest in Prima Air Sdn. Bhd. (“PASB”) for total cash consideration of RM20,700,000. The acquisition was completed on 13 March 2025 and consequently, PASB became a wholly-owned subsidiary company of the Company. On 14 May 2025, PASB has changed its name to Sin-Kung Airways Sdn. Bhd. (“SKA”).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

7. Investment in Subsidiary Companies (Cont'd)

(b) Acquisition of subsidiary company (Cont'd)

The following summarises the consideration transferred and major classes of assets acquired and liabilities assumed at the acquisition date:

	SKA RM
Property, plant and equipment (Note 4)	8,035,996
Right-of-use asset (Note 6)	94,631
Inventories	213,230
Trade and other receivables	574,959
Tax recoverable	2,657
Cash and bank balances	12,742
Deferred tax liabilities (Note 18)	(680,176)
Trade and other payables	(1,555,949)
Lease liabilities (Note 16)	(97,626)
Total identifiable assets and liabilities	6,600,464
<u>Net cash outflow arising from acquisition of subsidiary company</u>	
Purchase consideration	20,700,000
Cash and cash equivalents acquired	(12,742)
	20,687,258
Less: Purchase consideration settled in loan	(18,630,000)
Less: Deposit paid in previous year	(2,070,000)
	(12,742)
<u>Goodwill arising from business combination</u>	
Fair value of consideration transferred	20,700,000
Fair value of identifiable assets acquired and liabilities assumed	(6,600,464)
	14,099,536

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

7. Investment in Subsidiary Companies (Cont'd)

(c) Additional investment in a subsidiary company

On 30 June 2025, Sin-Kung Airways Sdn. Bhd. (“SKA”), a wholly-owned subsidiary company of the Company, has increased its share capital from RM20,700,000 to RM30,700,000. The Company had subscribed for an additional 10,000,000 shares in SKA for a total cash consideration of RM10,000,000. Consequently, SKA remains as a wholly-owned subsidiary company of the Company.

(d) Material partly-owned subsidiary companies

Summarised financial information of non-controlling interests has not been individually presented as the non-controlling interests of the subsidiary companies are not individually material to the Group.

8. Other Investments

	Group and Company	
	2025	2024
	RM	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. Goodwill on Consolidation

	Group	
	2025	2024
	RM	RM
Cost/Carrying amount		
At 1 January	-	-
Acquisition during the financial year	14,099,536	-
At 31 December	14,099,536	-

Impairment testing for goodwill is done annually. The carrying values were allocated to one (1) (2024: Nil) of the Group’s cash-generating units (“CGU”).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

9. Goodwill on Consolidation (Cont'd)

The recoverable amounts of CGU in respect of the goodwill were determined based on value in use calculations. Cash flow projections used in these calculations were based on financial budgets approved by management covering a five (5) year period.

Key assumptions used in the value in use calculations for the goodwill impairment assessment are gross profit margin and revenue annual growth rate of 12%. The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources.

A pre-tax discount rate of 8.90% were applied in determining the recoverable amounts of the CGU. The discount rate used is pre-tax and reflect the specific risks relating to the CGU. There are no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of the CGU to materially exceed its recoverable amount.

10. Inventories

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Spare parts and consumables	<u>3,129,152</u>	<u>2,911,594</u>	<u>2,885,796</u>	<u>2,911,594</u>
Recognised in profit or loss:				
Inventories recognised as cost of sales	<u>921,275</u>	<u>671,481</u>	<u>802,855</u>	<u>671,481</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

11. Trade Receivables

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Trade receivables:				
- Third parties	6,569,295	6,612,232	6,309,666	6,508,785
- Related parties	78,033	-	78,033	-
	<u>6,647,328</u>	<u>6,612,232</u>	<u>6,387,699</u>	<u>6,508,785</u>

Trade receivables are non-interest bearing and the normal credit terms are range from 7 to 90 days (2024: 7 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables of the Group and of the Company is an amount due from related parties of RM78,033 (2024: RM Nil), being a company owned by a person connected to the Directors of the Company.

The aging analysis of trade receivables as at the end of each reporting period are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Neither past due nor impaired	5,029,118	4,886,954	4,915,517	4,816,102
Past due but not impaired:				
Less than 30 days	1,507,639	1,614,940	1,423,433	1,582,345
31 to 60 days	104,167	104,026	44,105	104,026
More than 60 days	6,404	6,312	4,644	6,312
	<u>1,618,210</u>	<u>1,725,278</u>	<u>1,472,182</u>	<u>1,692,683</u>
	<u>6,647,328</u>	<u>6,612,232</u>	<u>6,387,699</u>	<u>6,508,785</u>

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 2025, trade receivables of the Group of RM1,618,210 (2024: RM1,725,278) and of the Company of RM1,472,182 (2024: RM1,692,683) were past due but not impaired. These related to a number of independent customers from whom there is no recent history of default.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

12. Other Receivables

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Other receivables	887,652	257,232	472,620	13
Deposits	2,285,708	3,227,590	844,769	3,297,770
Prepayments	3,628,211	2,564,607	3,400,929	2,564,607
	<u>6,801,571</u>	<u>6,049,429</u>	<u>4,718,318</u>	<u>5,862,390</u>

In the previous financial year, included in the deposits of the Group and of the Company are RM532,105 paid for the acquisition of property, plant and equipment and right-of-use assets, and RM2,070,000 paid for the acquisition of a subsidiary company.

The related commitments for the acquisition of property, plant and equipment, right-of-use assets and a subsidiary company are disclosed in Note 27 to the financial statements.

13. Amount Due from/(to) Subsidiary companies

	Note	Company	
		2025	2024
		RM	RM
Amount due from subsidiary companies			
Non-interest bearing			
Trade related	(a)	29,000	33,000
Non-trade related	(b)	382,233	274,613
Interest bearing			
Non-trade related	(c)	<u>33,282,572</u>	<u>26,316,203</u>
		33,693,805	26,623,816
Less: Accumulated impairment losses		<u>(382,233)</u>	<u>(274,613)</u>
		<u>33,311,572</u>	<u>26,349,203</u>
Amount due to subsidiary companies			
Non-interest bearing			
Trade related	(d)	<u>(647,521)</u>	<u>(318,327)</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

13. Amount Due from/(to) Subsidiary companies (Cont'd)

Movements in the allowance for impairment losses of the amount due from subsidiary companies are as follows:

	Company	
	2025 RM	2024 RM
At 1 January	274,613	290,257
Impairment losses recognised	107,620	37,354
Impairment losses reversed	-	(52,998)
At 31 December	382,233	274,613

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 (2024: 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% (2024: 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 (2024: 30 days), depending on the term of contracts.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

14. Share Capital

	Group and Company			
	Number of shares		Amount	
	2025	2024	2025	2024
	Units	Units	RM	RM
Issued and fully paid-up ordinary shares with no par value				
At 1 January	1,200,000,000	1,000,000,000	32,749,397	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	<u>1,200,000,000</u>	<u>1,200,000,000</u>	<u>32,749,397</u>	<u>32,749,397</u>

In the previous 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

15. Reserves

	Note	Group		Company	
		2025	2024	2025	2024
Distributable:					
Retained earnings	(a)	46,969,714	51,516,236	60,826,014	54,803,694
Non-distributable:					
Foreign currency translation reserve					
	(b)	4,070	(18,096)	-	-
		<u>46,973,784</u>	<u>51,498,140</u>	<u>60,826,014</u>	<u>54,803,694</u>

(a) 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.

(b) 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

16. Lease Liabilities

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At 1 January	16,744,856	17,781,032	16,744,856	17,781,032
Additions	40,065,769	4,980,194	7,340,010	4,980,194
Acquisition of subsidiary	97,626	-	-	-
Disposal	(55,047)	-	(55,047)	-
Modification of lease terms	-	(47,455)	-	(47,455)
Accretion of interest (Note 21)	2,045,275	1,035,795	1,267,066	1,035,795
Exchange differences	(1,124,161)	-	-	-
Payments	(11,965,293)	(7,004,710)	(8,126,125)	(7,004,710)
At 31 December	<u>45,809,025</u>	<u>16,744,856</u>	<u>17,170,760</u>	<u>16,744,856</u>
Presented as:				
Non-current	33,151,826	10,947,457	10,946,132	10,947,457
Current	12,657,199	5,797,399	6,224,628	5,797,399
	<u>45,809,025</u>	<u>16,744,856</u>	<u>17,170,760</u>	<u>16,744,856</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

16. Lease Liabilities (Cont'd)

The maturity analysis of lease liabilities of the Group and of the Company at the end of the reporting period are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Minimum lease payments:				
Within one year	15,090,013	6,688,283	7,141,657	6,688,283
Later than one year and not later than two years	13,222,614	5,406,525	5,488,758	5,406,525
Later than two years and not later than five years	23,209,514	6,506,807	6,542,542	6,506,807
	<u>51,522,141</u>	<u>18,601,615</u>	<u>19,172,957</u>	<u>18,601,615</u>
Less: Future finance charges	<u>(5,713,116)</u>	<u>(1,856,759)</u>	<u>(2,002,197)</u>	<u>(1,856,759)</u>
Present value of lease liabilities	<u>45,809,025</u>	<u>16,744,856</u>	<u>17,170,760</u>	<u>16,744,856</u>

The Group and the Company lease various buildings, aircraft, 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 2025, the carrying amount of the Group and of the Company are RM16,911,460 and RM15,958,903 (2024: RM15,881,047 and RM15,881,047) respectively under hire purchase arrangement and are 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(a) to the financial statements.

The average effective interest rates per annum are as follows:

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Lease liabilities	<u>4.30 - 7.65</u>	<u>3.80 - 7.65</u>	<u>4.30 - 7.65</u>	<u>3.80 - 7.65</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

17. Loans and Borrowings

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Secured				
Revolving credit	11,000,000	-	11,000,000	-
Term loans	108,966,995	69,156,831	108,966,995	69,156,831
	<u>119,966,995</u>	<u>69,156,831</u>	<u>119,966,995</u>	<u>69,156,831</u>
Analysed as:				
Non-current				
Term loans	102,796,490	65,375,010	102,796,490	65,375,010
Current				
Revolving credit	11,000,000	-	11,000,000	-
Term loans	6,170,505	3,781,821	6,170,505	3,781,821
	<u>17,170,505</u>	<u>3,781,821</u>	<u>17,170,505</u>	<u>3,781,821</u>
	<u>119,966,995</u>	<u>69,156,831</u>	<u>119,966,995</u>	<u>69,156,831</u>

The bank borrowings are secured by the following:

- (a) First party legal charge over the freehold and leasehold lands and buildings as disclosed in Notes 4(a), 5 and 6(a) to the financial statements;
- (b) Existing Deed of Assignment over the rights, titles and interests over the capital work-in-progress as disclosed in Note 4(a) to the financial statements;
- (c) Jointly and several guarantee by certain Directors of the Company;
- (d) Corporate guarantee by a shareholder of the Company, Lille Management Sdn. Bhd.;
- (e) Guarantee from Syarikat Jaminan Pembiayaan Perniagaan Berhad for RM2,400,000 under Pemulih Government Guarantee Scheme; and
- (f) 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

17. Loans and Borrowings (Cont'd)

Maturity of bank borrowings are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Within one year	17,170,505	3,781,535	17,170,505	3,781,535
Between one to two years	5,991,156	3,858,768	5,991,156	3,858,768
Between two to five years	16,448,655	8,233,442	16,448,655	8,233,442
After five years	80,356,679	53,283,086	80,356,679	53,283,086
	<u>119,966,995</u>	<u>69,156,831</u>	<u>119,966,995</u>	<u>69,156,831</u>

The average effective interest rates per annum are as follows:

	Group		Company	
	2025	2024	2025	2024
	%	%	%	%
Term loans	<u>4.86 - 7.92</u>	<u>4.86 - 8.20</u>	<u>4.86 - 7.92</u>	<u>4.86 - 8.20</u>

18. Deferred Tax Liabilities

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
At 1 January	5,677,597	3,828,098	5,677,597	3,828,098
Acquisition of subsidiary company	680,176	-	-	-
Recognised in profit or loss	1,072,013	1,185,764	1,128,694	1,185,764
(Over)/Under provision in prior years	(321,080)	663,735	(321,080)	663,735
At 31 December	<u>7,108,706</u>	<u>5,677,597</u>	<u>6,485,211</u>	<u>5,677,597</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

18. Deferred Tax Liabilities (Cont'd)

The movements and components of deferred tax liabilities and assets are as follows:

Deferred tax liabilities

	Property, plant and equipment RM	Right-of-use assets RM	Total RM
Group			
At 1 January 2025	5,689,369	195,542	5,884,911
Acquisition of subsidiary company	680,176	-	680,176
Recognised in profit or loss	1,085,073	7,001,884	8,086,957
Under provision in prior year	1,603,650	24,686	1,628,336
At 31 December 2025 (before offsetting)	<u>9,058,268</u>	<u>7,222,112</u>	16,280,380
Offsetting			<u>(9,171,674)</u>
At 31 December 2025 (after offsetting)			<u>7,108,706</u>
At 1 January 2024	3,840,292	369,832	4,210,124
Recognised in profit or loss	1,185,342	(174,290)	1,011,052
Under provision in prior year	663,735	-	663,735
At 31 December 2024 (before offsetting)	<u>5,689,369</u>	<u>195,542</u>	5,884,911
Offsetting			<u>(207,314)</u>
At 31 December 2024 (after offsetting)			<u>5,677,597</u>
Company			
At 1 January 2025	5,689,369	195,542	5,884,911
Recognised in profit or loss	1,122,592	89,633	1,212,225
Over provision in prior year	(321,080)	-	(321,080)
At 31 December 2025 (before offsetting)	<u>6,490,881</u>	<u>285,175</u>	6,776,056
Offsetting			<u>(290,845)</u>
At 31 December 2025 (after offsetting)			<u>6,485,211</u>
At 1 January 2024	3,840,292	369,832	4,210,124
Recognised in profit or loss	1,185,342	(174,290)	1,011,052
Under provision in prior year	663,735	-	663,735
At 31 December 2025 (before offsetting)	<u>5,689,369</u>	<u>195,542</u>	5,884,911
Offsetting			<u>(207,314)</u>
At 31 December 2025 (after offsetting)			<u>5,677,597</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

18. Deferred Tax Liabilities (Cont'd)

The movements and components of deferred tax liabilities and assets are as follows: (Cont'd)

Deferred tax assets

	Unabsorbed capital allowances RM	Lease liabilities RM	Total RM
Group			
At 1 January 2025	-	(207,314)	(207,314)
Recognised in profit or loss	62,398	(7,077,342)	(7,014,944)
Under provision in prior year	<u>(1,924,071)</u>	<u>(25,345)</u>	<u>(1,949,416)</u>
At 31 December 2025 (before offsetting)	<u>(1,861,673)</u>	<u>(7,310,001)</u>	<u>(9,171,674)</u>
Offsetting			9,171,674
At 31 December 2025 (after offsetting)			<u>-</u>
At 1 January 2024		(382,026)	(382,026)
Recognised in profit or loss	<u>-</u>	<u>174,712</u>	<u>174,712</u>
At 31 December 2024 (before offsetting)	<u>-</u>	<u>(207,314)</u>	<u>(207,314)</u>
Offsetting			207,314
At 31 December 2024 (after offsetting)			<u>-</u>
			Lease liabilities RM
Company			
At 1 January 2025			(207,314)
Recognised in profit or loss			<u>(83,531)</u>
At 31 December 2025 (before offsetting)			<u>(290,845)</u>
Offsetting			290,845
At 31 December 2025 (after offsetting)			<u>-</u>

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18. Deferred Tax Liabilities (Cont'd)

The movements and components of deferred tax liabilities and assets are as follows: (Cont'd)

Deferred tax assets (Cont'd)

	Lease liabilities RM
Company	
At 1 January 2024	(382,026)
Recognised in profit or loss	174,712
At 31 December 2024 (before offsetting)	(207,314)
Offsetting	207,314
At 31 December 2024 (after offsetting)	-

The amounts of temporary differences for which no deferred tax assets have been recognised are as follows:

	Group	
	2025	2024
	RM	RM
Unutilised tax losses	16,940,174	544,274
Unabsorbed capital allowances	3,003,734	-
	19,943,908	544,274

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.

NOTES TO THE FINANCIAL STATEMENTS
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19. Trade Payables

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Trade payables:				
- Third parties	651,693	219,341	434,499	219,341

Trade payables are non-interest bearing and the normal credit terms granted to the Group and the Company range from 3 to 120 days (2024: 3 to 120 days), depending on the term of contracts.

20. Other Payables

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Other payables				
- Third parties	2,443,044	5,897,324	2,668,569	5,884,604
- Related party	1,232,143	-	-	-
	<u>3,675,187</u>	<u>5,897,324</u>	<u>2,668,569</u>	<u>5,884,604</u>
Deposits received	246,247	47,097	160,597	47,097
Accruals	2,054,653	1,312,660	1,146,645	1,026,461
	<u>5,976,087</u>	<u>7,257,081</u>	<u>3,975,811</u>	<u>6,958,162</u>

Included in other payables of the Group and of the Company is an amount of RM 2,269,760 (2024: RM 5,478,000) related to the acquisition of property, plant and equipment and right-of-use assets.

Included in other payables of the Group is an amount of RM1,232,143 (2024: RM Nil) due to a related party, being close family member of a director of a subsidiary and a former director/shareholder of that subsidiary.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

21. Revenue

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from contracts with customers:				
Rendering of services				
- Trucking services	49,304,317	40,631,559	48,651,202	39,999,960
- Container haulage services	4,668,611	5,390,165	4,668,611	5,390,165
- Aviation services	2,182,456	-	-	-
- Other logistics related services	620,196	1,246,323	551,246	1,161,181
	<u>56,775,580</u>	<u>47,268,047</u>	<u>53,871,059</u>	<u>46,551,306</u>
Revenue from other sources:				
Warehouse income	5,972,917	6,891,100	5,972,917	6,891,100
Hiring of trucks income	-	-	61,600	101,600
	<u>5,972,917</u>	<u>6,891,100</u>	<u>6,034,517</u>	<u>6,992,700</u>
	<u>62,748,497</u>	<u>54,159,147</u>	<u>59,905,576</u>	<u>53,544,006</u>

The timing of revenue recognition is at a point in time for the revenue from contracts with customers.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

22. Finance Costs

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest expenses of financial liabilities not at fair value through profit or loss:				
- Term loans	5,393,628	3,293,647	5,393,628	3,015,893
- Lease liabilities	2,045,275	1,035,795	1,267,066	1,035,795
- Others	241,754	-	241,754	-
	<u>7,680,657</u>	<u>4,329,442</u>	<u>6,902,448</u>	<u>4,051,688</u>
Less : Finance costs capitalised in qualifying assets:				
- Capital work-in-progress	(2,653,341)	-	(2,653,341)	-
	<u>5,027,316</u>	<u>4,329,442</u>	<u>4,249,107</u>	<u>4,051,688</u>

23. (Loss)/Profit Before Tax

(Loss)/Profit before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Auditors' remuneration:				
- Statutory audits				
- UHY Malaysia PLT	118,280	90,000	56,500	56,500
- Other auditors	10,426	11,514	-	-
- Other services				
- UHY Malaysia PLT	21,200	138,600	21,200	138,600
Amortisation of right-of-use assets	7,732,524	3,862,406	4,331,322	3,862,406
Depreciation of property, plant and equipment	2,912,479	1,635,104	2,101,620	1,631,752

NOTES TO THE FINANCIAL STATEMENTS
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23. (Loss)/Profit Before Tax (Cont'd)

(Loss)/Profit before tax is determined after charging/(crediting) amongst other, the following items: (Cont'd)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Dividend income	-	-	-	(140,000)
Loss/(Gain) on foreign exchange:				
- realised	86,569	(4,885)	(20,339)	(4,885)
- unrealised	(1,288,117)	17,409	(166,488)	6,546
Gain on disposal of property, plant and equipment	(132,671)	(9,999)	(132,671)	(9,999)
Gain on disposal of right-of-use assets	(83,063)	-	(83,063)	-
Impairment losses on amount due from subsidiary companies	-	-	107,620	37,354
Interest income	(427,252)	(388,965)	(1,206,225)	(1,063,999)
Lease expenses relating to low value assets:				
- computer software and equipment	-	10,674	-	10,674
Lease expenses relating to short-term leases:				
- buildings	52,074	1,831	52,074	1,831
- motor vehicles	53,274	75,739	71,274	93,739
Loss on modification of lease terms	1	2,245	1	2,245
Loss on expiration of lease terms	4	-	4	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

23. (Loss)/Profit Before Tax (Cont'd)

(Loss)/Profit before tax is determined after charging/(crediting) amongst other, the following items: (Cont'd)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-executive Directors' remunerations:				
- fees	207,000	188,000	207,000	188,000
- other emoluments	84,513	93,900	84,513	93,900
Rental income	(10,700)	(5,500)	(10,700)	(5,500)
Reversal of impairment losses on amount due from subsidiary companies	-	-	-	(52,998)
Property, plant and equipment written off	10	-	-	-
	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

24. Taxation

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Tax expenses recognised in profit or loss:				
<u>Current tax</u>				
- Current financial year	709,805	578,758	665,531	440,429
- (Over)/Under provision in prior years	(9,131)	1,806,984	14,373	1,807,442
	700,674	2,385,742	679,904	2,247,871
<u>Deferred tax</u>				
- Origination and reversal of temporary differences	1,072,013	1,185,764	1,128,694	1,185,764
- (Over)/Under provision in prior years	(321,080)	663,735	(321,080)	663,735
	750,933	1,849,499	807,614	1,849,499
	1,451,607	4,235,241	1,487,518	4,097,370

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

24. Taxation (Cont'd)

A reconciliation of income tax expenses applicable to (loss)/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	
	2025 RM	2024 RM	2025 RM	2024 RM
(Loss)/Profit before tax	<u>(3,103,862)</u>	<u>3,521,628</u>	<u>7,509,838</u>	<u>4,527,357</u>
At Malaysian statutory tax rate of 24% (2024: 24%)	(744,927)	845,191	1,802,361	1,086,566
Expenses not deductible for tax purposes	2,141,503	1,335,187	1,021,897	1,010,685
Income not subject to tax	(269,128)	(37,069)	(39,953)	(37,069)
Investment tax allowance	(990,080)	(433,989)	(990,080)	(433,989)
Deferred tax assets not recognised	1,644,450	55,202	-	-
(Over)/Under provision of income tax expense in prior years	(9,131)	1,806,984	14,373	1,807,442
(Over)/Under provision of deferred tax in prior years	<u>(321,080)</u>	<u>663,735</u>	<u>(321,080)</u>	<u>663,735</u>
Tax expenses for the financial year	<u>1,451,607</u>	<u>4,235,241</u>	<u>1,487,518</u>	<u>4,097,370</u>

Malaysian income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated assessable profits for the financial year.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

24. Taxation (Cont'd)

The Group and the Company have estimated unutilised tax losses and unabsorbed capital allowances available for offset against future taxable profit as follows:

	Group	
	2025	2024
	RM	RM
Unutilised tax losses	16,940,174	544,274
Unabsorbed capital allowances	10,760,705	-
	<u>27,700,879</u>	<u>544,274</u>

With effects from year assessment 2019, unutilised tax losses are allowed to be carried forward up to a maximum of ten (10) years of assessment under the current tax legislation in Malaysia. The other temporary difference does not expire under tax legislation.

Pursuant to Section 44(5F) of the Income Tax Act 1967 in Malaysia, the unutilised tax losses can only be carried forward until the following years of assessment.

	Group	
	2025	2024
	RM	RM
Unutilised tax losses, expiring on:		
- year assesment 2028	2,958,230	-
- year assesment 2030	237,067	-
- year assesment 2032	175,509	1,038
- year assesment 2033	4,705,189	307,602
- year assesment 2034	2,863,650	235,634
- year assesment 2035	6,000,529	-
	<u>16,940,174</u>	<u>544,274</u>

NOTES TO THE FINANCIAL STATEMENTS
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25. Loss Per Share

(a) Loss earnings per share

The basic loss earnings per share are calculated based on the consolidated loss 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	
	2025	2024
	RM	RM
Loss attributable to owners of the parent	(4,546,522)	(711,329)
Weighted average number of ordinary shares in issue		
Issued ordinary shares as at 1 January	1,200,000,000	1,000,000,000
Effect of ordinary shares issued during the financial year	-	126,575,342
Weighted average number of ordinary shares as at 31 December	1,200,000,000	1,126,575,342
Basic loss per ordinary share (in sen)	(0.38)	(0.06)

(b) Diluted loss per share

The Group has no dilution in their loss 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.

NOTES TO THE FINANCIAL STATEMENTS
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26. Staff Costs

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Salaries, wages and other emoluments	16,905,266	15,620,342	11,219,521	9,831,771
Defined contribution plans	1,758,992	1,300,498	1,179,383	1,056,009
Social security contributions	206,106	141,189	120,989	105,086
	<u>18,870,364</u>	<u>17,062,029</u>	<u>12,519,893</u>	<u>10,992,866</u>

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	
	2025	2024	2025	2024
	RM	RM	RM	RM
Executive Directors				
Salaries and other emoluments	1,832,740	1,791,400	1,766,000	1,729,000
Defined contribution plans	237,926	232,882	229,580	224,770
Social security contribution	5,325	4,763	4,178	3,651
	<u>2,075,991</u>	<u>2,029,045</u>	<u>1,999,758</u>	<u>1,957,421</u>
Estimated value of benefit-in-kind	60,800	59,600	60,800	59,600
	<u>2,136,791</u>	<u>2,088,645</u>	<u>2,060,558</u>	<u>2,017,021</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

27. Commitments

(a) Capital expenditure

	Group and Company	
	2025	2024
	RM	RM
Authorised and contracted for:		
Freehold land and building	10,140,000	30,420,000
Motor/Commercial vehicles	-	270,000
A subsidiary company	-	18,630,000
Authorised but not contracted for:		
Motor/Commercial vehicles	1,780,000	2,944,820
	<u>11,920,000</u>	<u>52,264,820</u>

(b) Investment in subsidiary company

In the Articles of Association of Shanghai Shuntong International Freight Forwarding Co. Ltd., Sin-Kung Logistics (HK) Limited, an indirect wholly-owned subsidiary company of the Company, has committed to contribute RMB3,000,000 (equivalent to HKD3,340,937; which also equivalent to RM1,741,500) 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.

NOTES TO THE FINANCIAL STATEMENTS
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28. Reconciliation of Liabilities Arising from Financing Activities

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	Note	At 1 January RM	Financing cash flows (i) RM	Non-cash changes			At 31 December RM
				Modification of lease terms (Note 16) RM	New lease (Note 16) RM	Other changes (ii) RM	
Group							
2025							
Lease liabilities	16	16,744,856	(9,920,018)	-	40,065,769	(1,081,582)	45,809,025
Term loans	17	69,156,831	(1,753,177)	-	-	41,563,341	108,966,995
Revolving credit	17	-	11,000,000	-	-	-	11,000,000
		85,901,687	(673,195)	-	40,065,769	40,481,759	165,776,020
2024							
Lease liabilities	16	17,781,032	(5,968,915)	(47,455)	4,980,194	-	16,744,856
Term loans	17	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

NOTES TO THE FINANCIAL STATEMENTS
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28. Reconciliation of Liabilities Arising from Financing Activities (Cont'd)

The table below show the 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)

	Note	At 1 January RM	Financing cash flows (i) RM	Non-cash changes			At 31 December RM
				Modification of lease terms (Note 16) RM	New lease (Note 16) RM	Other changes (ii) RM	
Company							
2025							
Lease liabilities	16	16,744,856	(6,859,059)	-	7,340,010	(55,047)	17,170,760
Term loans	17	69,156,831	(1,753,177)	-	-	41,563,341	108,966,995
Revolving credit	17	-	11,000,000	-	-	-	11,000,000
		85,901,687	2,387,764	-	7,340,010	41,508,294	137,137,755
2024							
Lease liabilities	16	17,781,032	(5,968,915)	(47,455)	4,980,194	-	16,744,856
Term loans	17	48,707,516	(6,786,426)	-	-	27,235,741	69,156,831
		66,488,548	(12,755,341)	(47,455)	4,980,194	27,235,741	85,901,687

NOTES TO THE FINANCIAL STATEMENTS
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28. Reconciliation of Liabilities Arising from Financing Activities (Cont'd)

- (i) The financing cash flows include payment of lease liabilities, net amount of proceeds from/repayment of bank borrowings in the statements of cash flows.
- (ii) Other changes include interest payable, loan financing for acquisition of subsidiary company, property, plant and equipment and right-of-use assets, disposal of lease liabilities and unrealised foreign exchange gain on lease liabilities.

29. 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

In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Company are as follows:

	Company	
	2025	2024
	RM	RM
Transactions with subsidiary companies		
- Courier services paid and payable	5,965	813
- Dividend income	-	140,000
- Hiring of trucks paid and payable	18,000	18,000
- Hiring of trucks received and receivable	61,600	101,600
- Interest income	800,990	677,417
- Manpower supply paid and payable	<u>7,819,788</u>	<u>6,910,543</u>

NOTES TO THE FINANCIAL STATEMENTS
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29. Related Party Disclosures (Cont'd)

(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	
	2025	2024	2025	2024
	RM	RM	RM	RM
Executive Directors				
- Salaries and other emoluments	1,832,740	1,791,400	1,766,000	1,729,000
- Defined contribution plans	237,926	232,882	229,580	224,770
- Social security contributions	5,325	4,763	4,178	3,651
	<u>2,075,991</u>	<u>2,029,045</u>	<u>1,999,758</u>	<u>1,957,421</u>
Estimated value of benefit-in-kind	60,800	59,600	60,800	59,600
	<u>2,136,791</u>	<u>2,088,645</u>	<u>2,060,558</u>	<u>2,017,021</u>
Non-Executive Directors				
- Fees	207,000	188,000	207,000	188,000
- Other emoluments	84,513	93,900	84,513	93,900
	<u>291,513</u>	<u>281,900</u>	<u>291,513</u>	<u>281,900</u>

NOTES TO THE FINANCIAL STATEMENTS
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30. Segmental Information

Segmental information is presented based on the Group's business activities. During the financial year, the Group expanded its operations to include aviation services, which have grown to a level that warrants separate presentation.

The Group is organised into the following business segments:

(a) Business segment

(i) Logistics segment

This segment comprises land transportation services, warehousing and distribution services and other logistics-related services.

(ii) Aviation segment

This segment relates to the provision of aviation-related services.

The results of these segments are regularly reviewed by management for the purpose of assessing performance and allocating resources. Segment performance is evaluated based on revenue and operating results.

In the previous year, 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.

NOTES TO THE FINANCIAL STATEMENTS
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30. Segmental Information (Cont'd)

(a) Business segment (Cont'd)

	Logistic services RM	Aviation services RM	Total segments RM	Elimination RM	Consolidated RM
2025					
Revenue					
External customers	60,566,041	2,182,456	62,748,497	-	62,748,497
Inter-segment	7,997,698	-	7,997,698	(7,997,698)	-
Total revenue	68,563,739	2,182,456	70,746,195	(7,997,698)	62,748,497
Results					
Segment results	9,843,094	(9,871,520)	(28,426)	(257,985)	(286,411)
Other income	1,774,789	1,228,056	3,002,845	(792,983)	2,209,862
Finance costs	(5,050,097)	(778,209)	(5,828,306)	800,993	(5,027,313)
Profit/(Loss) before tax	6,567,786	(9,421,673)	(2,853,887)	(249,975)	(3,103,862)
Taxation	(1,508,238)	(50)	(1,508,288)	56,681	(1,451,607)
Profit/(Loss) for the financial year	5,059,548	(9,421,723)	(4,362,175)	(193,294)	(4,555,469)

NOTES TO THE FINANCIAL STATEMENTS
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30. Segmental Information (Cont'd)

(a) Business segment (Cont'd)	Logistics services RM	Aviation services RM	Total segments RM	Elimination RM	Consolidated RM
2025					
Other non-cash items					
Depreciation of property, plant and equipment	2,101,620	574,487	2,676,107	236,372	2,912,479
Depreciation of right-of-use assets	4,331,322	3,401,202	7,732,524	-	7,732,524
Property, plant and equipment written off	-	10	10	-	10
Gain on unrealised foreign exchange	(135,598)	(1,152,519)	(1,288,117)	-	(1,288,117)
Gain on disposal of property, plant and equipment	(132,671)	-	(132,671)	-	(132,671)
Gain on disposal of right-of-use assets	(83,063)	-	(83,063)	-	(83,063)
Loss on expiration of lease terms	4	-	4	-	4
Loss on modification of lease terms	1	-	1	-	1

NOTES TO THE FINANCIAL STATEMENTS
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30. Segmental Information (Cont'd)

(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	
	2025	2024
	RM	RM
Malaysia	30,425,122	28,723,435
Overseas		
- Asia	128,346	145,070
- Europe	3,398,543	4,043,471
- Middle East	4,409,893	4,088,166
- People's Republic of China ("PRC")	4,521,051	2,813,882
- Singapore	19,164,362	14,016,585
- Others	701,180	328,538
	32,323,375	25,435,712
	62,748,497	54,159,147

(c) Major customers

Revenue from major customers with revenue equal or more than 10% of the Group's revenue are as follows:

	Group	
	2025	2024
	RM	RM
Customer A	12,436,348	8,363,715
Customer B	6,241,969	6,681,353
	18,678,317	15,045,068

NOTES TO THE FINANCIAL STATEMENTS
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31. 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:

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Group				
2025				
Financial assets				
Other investments	5,000	-	-	5,000
Trade receivables	-	6,647,328	-	6,647,328
Other receivables	-	3,173,360	-	3,173,360
Cash and bank balances	-	20,087,319	-	20,087,319
	<u>5,000</u>	<u>29,908,007</u>	<u>-</u>	<u>29,913,007</u>
Financial liabilities				
Lease liabilities	-	-	45,809,025	45,809,025
Loans and borrowings	-	-	119,966,995	119,966,995
Trade payables	-	-	651,693	651,693
Other payables	-	-	5,976,087	5,976,087
	<u>-</u>	<u>-</u>	<u>172,403,800</u>	<u>172,403,800</u>

NOTES TO THE FINANCIAL STATEMENTS
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31. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

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: (Cont'd)

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Group				
2024				
Other investments	5,000	-	-	5,000
Trade receivables	-	6,612,232	-	6,612,232
Other receivables	-	3,484,822	-	3,484,822
Cash and bank balances	-	21,904,324	-	21,904,324
	<u>5,000</u>	<u>32,001,378</u>	<u>-</u>	<u>32,006,378</u>
Financial liabilities				
Lease liabilities	-	-	16,744,856	16,744,856
Loans and borrowings	-	-	69,156,831	69,156,831
Trade payables	-	-	219,341	219,341
Other payables	-	-	7,257,081	7,257,081
	<u>-</u>	<u>-</u>	<u>93,378,109</u>	<u>93,378,109</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

31. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

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: (Cont'd)

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Company				
2025				
Financial assets				
Other investments	5,000	-	-	5,000
Trade receivables	-	6,387,699	-	6,387,699
Other receivables	-	1,317,389	-	1,317,389
Amount due from subsidiary companies	-	33,311,572	-	33,311,572
Cash and bank balances	-	16,493,268	-	16,493,268
	<u>5,000</u>	<u>57,509,928</u>	<u>-</u>	<u>57,514,928</u>
Financial liabilities				
Lease liabilities	-	-	17,170,760	17,170,760
Loans and borrowings	-	-	119,966,995	119,966,995
Trade payables	-	-	434,499	434,499
Other payables	-	-	3,975,811	3,975,811
Amount due to subsidiary companies	-	-	647,521	647,521
	<u>-</u>	<u>-</u>	<u>142,195,586</u>	<u>142,195,586</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

31. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

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: (Cont'd)

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Company				
2024				
Other investments	5,000	-	-	5,000
Trade receivables	-	6,508,785	-	6,508,785
Other receivables	-	3,297,783	-	3,297,783
Amount due from subsidiary companies	-	26,349,203	-	26,349,203
Cash and bank balances	-	20,562,709	-	20,562,709
	<u>5,000</u>	<u>56,718,480</u>	<u>-</u>	<u>56,723,480</u>
Financial liabilities				
Lease liabilities	-	-	16,744,856	16,744,856
Loans and borrowings	-	-	69,156,831	69,156,831
Trade payables	-	-	219,341	219,341
Other payables	-	-	6,958,162	6,958,162
Amount due to subsidiary companies	-	-	318,327	318,327
	<u>-</u>	<u>-</u>	<u>93,397,517</u>	<u>93,397,517</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

31. Financial Instruments (Cont'd)

(b) 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, advances to subsidiary companies and deposits with banks and financial institutions. 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 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 of 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

31. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

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.

The Group's and the Company's major concentration of credit risk related to the amount owing by 1 customer (2024: 1 customer) and 1 customer (2024: 1 customer) which constituted approximately 19% (2024: 19%) and 20% (2024: 20%) of its trade receivables as at the end of reporting date respectively.

(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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

31. Financial Instruments (Cont'd)

(b) 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.

	On demand or				Total	
	within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	contractual cash flows RM	Total carrying amount RM
Group						
2025						
Financial liabilities						
Lease liabilities	15,090,013	13,222,614	23,209,514	-	51,522,141	45,809,025
Loans and borrowings	18,449,159	7,836,038	20,897,885	82,079,034	129,262,116	119,966,995
Trade payables	651,693	-	-	-	651,693	651,693
Other payables	5,976,087	-	-	-	5,976,087	5,976,087
	40,166,952	21,058,652	44,107,399	82,079,034	187,412,037	172,403,800

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

31. Financial Instruments (Cont'd)

(b) 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
Group (Cont'd)						
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
	<u>19,783,261</u>	<u>10,844,183</u>	<u>18,399,482</u>	<u>57,643,848</u>	<u>106,670,774</u>	<u>93,378,109</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

31. Financial Instruments (Cont'd)

(b) 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)

Company 2025	On demand or		1 - 2 years		2 - 5 years		After 5 years		Total	
	within 1 year	RM	RM	RM	RM	RM	RM	RM	contractual	Total carrying
									cash flows	amount
									RM	RM
Financial liabilities										
Lease liabilities	7,141,657		5,488,758		6,542,542		-		19,172,957	17,170,760
Loans and borrowings	18,449,159		7,836,038		20,897,885		82,079,034		129,262,116	119,966,995
Trade payables	434,499		-		-		-		434,499	434,499
Other payables	3,975,811		-		-		-		3,975,811	3,975,811
Amount due to subsidiary companies	647,521		-		-		-		647,521	647,521
	30,648,647		13,324,796		27,440,427		82,079,034		153,492,904	142,195,586

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

31. Financial Instruments (Cont'd)

(b) 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				Total	
	within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	contractual cash flows RM	Total carrying amount RM
Company (Cont'd)						
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
	<u>19,802,669</u>	<u>10,844,183</u>	<u>18,399,482</u>	<u>57,643,848</u>	<u>106,690,182</u>	<u>93,397,517</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

31. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks

(b) 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

31. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (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:

	USD RM	Denominated in					Total RM
		SGD RM	RMB RM	HKD RM	EUR RM	THB RM	
Group							
2025							
Trade receivables	4,011	31,753	-	-	116,154	-	151,918
Cash and bank balances	1,229,005	100,930	2,412	4,476	154,630	1,858	1,493,311
Trade payables	7,761	26,477	-	-	-	-	34,238
	<u>1,240,777</u>	<u>159,160</u>	<u>2,412</u>	<u>4,476</u>	<u>270,784</u>	<u>1,858</u>	<u>1,679,467</u>
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
	<u>488,141</u>	<u>192,057</u>	<u>2,302</u>	<u>4,720</u>	<u>45,438</u>	<u>1,976</u>	<u>734,634</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

31. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (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: (Cont'd)

	Denominated in						Total RM
	USD RM	SGD RM	RMB RM	HKD RM	EUR RM	THB RM	
Company							
2025							
Trade receivables	3,869	31,753	-	-	116,154	-	151,776
Cash and bank balances	7,062	100,930	2,412	4,476	154,630	1,858	271,368
Trade payables	-	26,477	-	-	-	-	26,477
	<u>10,931</u>	<u>159,160</u>	<u>2,412</u>	<u>4,476</u>	<u>270,784</u>	<u>1,858</u>	<u>449,621</u>
2024							
Trade receivables	67,101	37,239	-	-	12,299	-	116,639
Cash and bank balances	438,236	155,424	2,300	4,714	32,902	1,974	635,551
	<u>505,337</u>	<u>192,663</u>	<u>2,300</u>	<u>4,714</u>	<u>45,201</u>	<u>1,974</u>	<u>752,190</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

31. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (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 (loss)/profit before tax and the Company's (loss)/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.

		2025			2024
		Effect on			Effect on
		loss			profit
		before tax			before tax
		RM			RM
Change in					
currency rate					
Group					
USD	Strengthened 10%	124,078	Strengthened 10%	48,814	
	Weakened 10%	(124,078)	Weakened 10%	(48,814)	
SGD	Strengthened 10%	15,916	Strengthened 10%	19,206	
	Weakened 10%	(15,916)	Weakened 10%	(19,206)	
RMB	Strengthened 10%	241	Strengthened 10%	230	
	Weakened 10%	(241)	Weakened 10%	(230)	
HKD	Strengthened 10%	448	Strengthened 10%	472	
	Weakened 10%	(448)	Weakened 10%	(472)	
EUR	Strengthened 10%	27,078	Strengthened 10%	4,544	
	Weakened 10%	(27,078)	Weakened 10%	(4,544)	
THB	Strengthened 10%	186	Strengthened 10%	198	
	Weakened 10%	(186)	Weakened 10%	(198)	

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

31. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

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. (Cont'd)

		2025			2024
		Effect on			Effect on
		profit			profit
		before tax			before tax
		RM			RM
Change in					
currency rate					
Company					
USD	Strengthened 10%	1,093	Strengthened 10%		50,534
	Weakened 10%	(1,093)	Weakened 10%		(50,534)
SGD	Strengthened 10%	15,916	Strengthened 10%		19,266
	Weakened 10%	(15,916)	Weakened 10%		(19,266)
RMB	Strengthened 10%	241	Strengthened 10%		230
	Weakened 10%	(241)	Weakened 10%		(230)
HKD	Strengthened 10%	448	Strengthened 10%		471
	Weakened 10%	(448)	Weakened 10%		(471)
EUR	Strengthened 10%	27,078	Strengthened 10%		4,520
	Weakened 10%	(27,078)	Weakened 10%		(4,520)
THB	Strengthened 10%	186	Strengthened 10%		197
	Weakened 10%	<u>(186)</u>	Weakened 10%		<u>(197)</u>

(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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

31. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market riskss (Cont'd)

(b) Interest rate risk (Cont'd)

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.

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:

	2025	2024
	RM	RM
Group		
Fixed rate instruments		
Financial liability		
Lease liabilities	<u>45,809,025</u>	<u>16,744,856</u>
Floating rate instrument		
Financial liability		
Loan and borrowings	<u>119,966,995</u>	<u>69,156,831</u>
Company		
Fixed rate instruments		
Financial asset		
Amount due from subsidiary companies	<u>33,282,572</u>	<u>26,316,203</u>
Financial liability		
Lease liabilities	<u>17,170,760</u>	<u>16,744,856</u>
Floating rate instrument		
Financial liability		
Loan and borrowings	<u>119,966,995</u>	<u>69,156,831</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

31. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk (Cont'd)

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 (decreased)/increased Group's loss before tax by RM1,199,670 and increased/(decreased) Company's profit before tax by RM1,199,670 (2024:increased/(decreased) Group's and Company's profit before tax by RM691,568) 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.

(c) 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

31. Financial Instruments (Cont'd)

(c) 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			Carrying amount RM
	Level 1	Level 2	Level 3	
	RM	RM	RM	
Group and Company				
2025				
<u>Financial assets</u>				
Other investments	5,000	-	-	5,000
2024				
<u>Financial assets</u>				
Other investments	5,000	-	-	5,000

(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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

31. Financial Instruments (Cont'd)

(c) Fair values of financial instruments (Cont'd)

(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).

Non-derivative financial instruments

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

32. Capital Management (Cont'd)

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: (Cont'd)

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Lease liabilities (Note 16)	45,809,025	16,744,856	17,170,760	16,744,856
Loans and borrowings (Note 17)	<u>119,966,995</u>	<u>69,156,831</u>	<u>119,966,995</u>	<u>69,156,831</u>
	165,776,020	85,901,687	137,137,755	85,901,687
Less: Cash and bank balances	<u>(20,087,319)</u>	<u>(21,904,324)</u>	<u>(16,493,268)</u>	<u>(20,562,709)</u>
Total debts	<u>145,688,701</u>	<u>63,997,363</u>	<u>120,644,487</u>	<u>65,338,978</u>
Total equity	<u>79,777,300</u>	<u>84,310,603</u>	<u>93,575,411</u>	<u>87,553,091</u>
Gearing ratio (times)	<u>1.83</u>	<u>0.76</u>	<u>1.29</u>	<u>0.75</u>

There were no changes in the Group's and the Company's approach to capital management during the financial year.

33. Date of Authorisation for Issue of Financial Statements

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 April 2026.

LIST OF PROPERTIES

Properties owned by our Group

Postal address	Description of property / Existing use	Land area / Built-up area sq ft	Approximately Age of the Building/ Tenure	Date of purchase	Audited NBV as at 31 December 2025 RM'000
Lot 1928, Jalan Bukit Kemuning, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia.	Single storey workshop and 2-storey office with 1 unit of guard house / Office and workshop	41,182.7 / 16,468.2	21 years / Freehold	28 May 2004	3,153
Lot 1928, Jalan Bukit Kemuning, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia.	5-storey office and single storey warehouse / Headquarter office and warehouse	128,628.7 / 86,136.7	22 years / Freehold	16 October 2003	15,950
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	6 years / Freehold	19 December 2019	14,415
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	2 year / Leasehold expiring on 30 October 2116	6 January 2023	18,004
H.S.(D) 40167, Lot No. 5948, Mukim 11, Daerah Seberang Perai Tengah, Negeri Pulau Pinang / No. 1498, Jalan Bukit Tengah, Kawasan Perusahaan Bukit Tengah, 14000 Bukit Mertajam, Pulau Pinang.	Vacant land / Vacant	177,163.2 / Not applicable	Not applicable / Freehold	19 December 2019	9,363
No. Hakmilik GRN 342233, Lot 41897, Mukim Labu, Daerah Sepang, Negeri Selangor (previously held under H.S.(D) 35787, PT 5351, Mukim Labu, Daerah Sepang, Negeri Selangor)	Oil palm plantation / Cultivation of oil palm	315,490.0 / Not applicable	Not applicable / Freehold	28 December 2018	7,503
No. Hakmilik GRN 342234, Lot 41898, Mukim Labu, Daerah Sepang, Negeri Selangor (previously held under H.S.(D) 35788, PT 5352, Mukim Labu, Daerah Sepang, Negeri Selangor)	Oil palm plantation / Cultivation of oil palm	209,896.0 / Not applicable	Not applicable / Freehold	16 July 2019	5,122
No Lot 629, 398, 414, 418, Mukim 12, Daerah Seberang Perai Selatan, Negeri Pulau Pinang held under Geran No Hakmilik 134497, 40431, 384 & 375.	Single storey detached factory with a double storey office building industrial (Building work-in-progress)	251,341.2 / 143,000	Not applicable / Freehold	26 June 2023	60,724

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 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 2025 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	2,000	-
Working capital	Within 12 months	1,050	1,050	-
Estimated listing expenses	Within 1 month	3,300	3,300	-
Total		26,000	15,980	10,020

MATERIAL CONTRACTS

There were no material contracts entered into by the Group during the financial year ended 31 December 2025 ("FYE2025") 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 FYE2025 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 and the Circular in relation to the same.

ADDITIONAL COMPLIANCE INFORMATION

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Rule 9.25A of the ACE Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

a) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 (RM)	2024 (RM)
Revenue		62,748,497	54,159,147
Other income		1,706,075	248,625
Interest income		427,378	388,965
Others	Insurance compensation	76,409	500
Total		64,958,359	54,797,227
Total Assets		259,293,426	183,368,075

b) Business Activities

Shariah Non-compliant Activities	Group	
	2025 (RM)	2024 (RM)
Insurance income	76,409	500
Interest income	75,598	37,593
Total	152,007	38,093

c) Component of Financial Position**i) Cash Component**

Islamic Account/ Instruments	Group	
	2025 (RM)	2024 (RM)
Cash at bank	11,725,831	14,777,321
Total	11,725,831	14,777,321

Conventional Account/ Instruments	Group	
	2025 (RM)	2024 (RM)
Cash at bank	8,361,488	7,127,003
Total	8,361,488	7,127,003

ADDITIONAL COMPLIANCE INFORMATION

c) Component of Financial Position (Cont'd)

ii) Debtor Component

Islamic Financing	Group 2025 (RM)	2024 (RM)
Current		
Term loans	1,978,149	49,700
Revolving credit and loans	4,000,000	-
Non-current		
Term loans	70,124,225	33,922,063
Total Financing	76,102,374	33,971,763

Conventional Borrowing	Group 2025 (RM)	2024 (RM)
Current		
Hire purchase payables	5,678,567	5,022,969
Revolving credit and loans	7,000,000	-
Term loans	4,192,356	3,732,121
Non-current		
Hire purchase payables	10,632,892	10,858,076
Term loans	32,672,265	31,452,947
Total Debt	60,176,079	51,066,113

ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2026

Issued Share Capital	:	1,200,000,000
Class of Shares	:	Ordinary Shares
Voting Rights	:	One Vote Per Ordinary Share
No. of Shareholders	:	1981

DISTRIBUTION OF SHAREHOLDINGS AS AT 1 APRIL 2026

Category	No. of Shareholders	No. of Shares	% of Shareholding
Less than 100	0	0	0.00
100 - 1,000	369	136,300	0.01
1,001 - 10,000	625	3,997,300	0.33
10,001 - 100,000	739	29,962,000	2.50
100,001 to less than 5% of issued shares	245	271,904,400	22.66
5% and above of issued shares	3	894,000,000	74.50
Total	1,981	1,200,000,000	100.00

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 1 APRIL 2026

No.	Names	No. of Shares	Direct		Indirect	
			%	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 1 APRIL 2026

No.	Names	No. of Shares	Direct		Indirect	
			%	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	2,490,000	0.21	-	-	
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 1 APRIL 2026

30 LARGEST SHAREHOLDERS AS AT 1 APRIL 2026

NO. SHAREHOLDERS	NO. OF SHARES	%
1 ALAN ONG LAY WOUI	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.	32,027,400	2.67
5 KEJAYA KAYA SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LER PEI FEN	26,703,400	2.23
6 KEJAYA KAYA SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR JEFFERY DING CHOON YONG	26,028,200	2.17
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	7,514,600	0.63
10 LIM OOI YUNG	5,924,500	0.49
11 KEJAYA KAYA SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YAYASAN CENDEKIAWAN MELAYU BARU	5,887,500	0.49
12 SUCHDAV A/L JOTISROOP	5,800,400	0.48
13 KEJAYA KAYA SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ER KIAN HONG	5,505,600	0.46
14 CITY EXOTIC SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YONG SIEW YEE	4,964,500	0.41
15 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG SUE CHUAN	4,311,100	0.36
16 LIM LENG CHOO	3,971,900	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 TEH CHUAN HOCK	3,140,700	0.26
20 CITY EXOTIC SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE BOON SZE	3,105,000	0.26
21 ONG YIT HWA	3,069,200	0.26
22 AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM GAIK ENG (LIM4779C)	2,671,600	0.22
23 MD HASSIM BIN PARDI	2,500,000	0.21
24 LEE LEAN SUAN	2,490,000	0.21
25 HO KIM FONG	2,300,000	0.19
26 TAN SOW CHAN	2,128,000	0.18
27 NGOK CHIN CHYE	2,065,500	0.17
28 NG CHIN HOE	1,910,000	0.16
29 CHEN JIAN CHENG	1,835,700	0.15
30 RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DOH TEE LEONG	1,726,000	0.14
TOTAL	1,076,597,200	89.72

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Seventh Annual General Meeting (“**27th 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 Friday, 12 June 2026 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 2025 together with Reports of the Directors’ and the Auditors’ thereon. | Please refer to Explanatory Note 1 |
| 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 1 |
| 3. | 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. | Lee Lean Suan | Ordinary Resolution 2 |
| ii. | Dato’ Ir. Haji Mohamad bin Dalib | Ordinary Resolution 3 |
| iii. | Tan Soo Mooi | Ordinary Resolution 4 |
| 4. | To re-appoint Messrs UHY Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 5 |

AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications, the following resolutions:

- | | | |
|----|---|------------------------------|
| 5. | AUTHORITY TO ALLOT AND ISSUE SHARES BY THE DIRECTORS AND WAIVER OF PRE-EMPTIVE RIGHTS PURSUANT TO THE COMPANIES ACT 2016 | Ordinary Resolution 6 |
|----|---|------------------------------|

“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.

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.”

NOTICE OF ANNUAL GENERAL MEETING

6. **PROPOSED NEW SHAREHOLDERS' MANDATE AND RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")** Ordinary Resolution 7

"THAT subject to the provision of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries (collectively referred to as "**the Group**") to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature with specified classes of related parties ("**Recurrent Related Party Transactions**") which are necessary for the day to day operations and are in the ordinary course of business and are carried out at arms' length basis on normal commercial terms of the Group on terms not more favourable to the related parties than those generally available to the public and are not, in the Company's opinion, detrimental to minority shareholders of the Company and that such approval shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the next AGM, the authority is renewed;
- (ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extensions as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities to give full effect to the Proposed Shareholders' Mandate."

7. To transact any other business that may be transacted at the 27th 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 2026

Explanatory Notes:

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.

NOTICE OF ANNUAL GENERAL MEETING

2. Items 3(i), 3(ii) and 3(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 2025, 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:

Lee Lean Suan : Lee Lean Suan fulfils the requirements of independence set out in Listing Requirements of Bursa Securities. She remains objective and independent in expressing her view and participating in Board’s deliberations and decision-making process.

Lee Lean Suan has exercised her due care and carried out her professional duties proficiently during her tenure as Independent Non-Executive Director of the Company.

Dato’ Ir. Haji Mohamad Bin Dalib : Dato’ Ir. Haji Mohamad bin Dalib 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’ Ir. Haji Mohamad bin Dalib has exercised his due care and carried out his professional duties proficiently during his tenure as Independent Non-Executive Director of the Company.

Tan Soo Mooi : Tan Soo Mooi fulfils the requirements of independence set out in Listing Requirements of Bursa Securities. She remains objective and independent in expressing her view and participating in Board’s deliberations and decision-making process.

Tan Soo Mooi has exercised her due care and carried out her professional duties proficiently during her tenure as Independent Non-Executive Director of the Company.

3. Item 5 of the Agenda

The Company had, during its Twenty Sixth Annual General Meeting held on 16 June 2025, obtained its shareholders’ approval for the general mandate for issuance of shares pursuant to Section 75 and Section 76 of the Companies Act 2016. The Company did not issue any shares pursuant to this mandate obtained.

The Ordinary Resolution 6 proposed under item 5 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 75 and 76 of the Companies Act 2016. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total ten per centum (10%) of the total issued shares/ total number of voting shares of the Company (excluding treasury shares) capital for such purpose as the Directors consider would be in the interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM. The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding investment project(s) and/or working capital.

The waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.

NOTICE OF ANNUAL GENERAL MEETING

4. Item 6 of the Agenda

The proposed Ordinary Resolution 7, if passed, will enable Company and its subsidiaries to enter into recurrent transactions involving interests of Related Parties, which are necessary for its day-to-day operations and undertaken at arm's length, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

Please refer to the Circular to Shareholders dated 30 April 2026 for further information.

Notes:

1. *A member of the Company who is entitled to attend, speak and vote at this 27th 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.*
2. *Where a member appoints more than one (1) proxy to attend and vote at the same 27th AGM, the appointment shall be invalid unless he(she) specifies the proportion of his(her) holdings to be represented by each proxy.*
3. *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.*
4. *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.

5. *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.*
6. *The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the 27th AGM or at any adjournment thereof, as follows:*

(a) In hard copy form

The original instrument appointing a proxy (“Proxy Form”) must be deposited at 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.

(b) By electronic means

The Proxy Form can also be lodged electronically via online lodgement facility, please login to the link website at <https://srmy.vistra.com> and select “e-Services” to login.

7. *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.*
8. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 5 June 2026 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this 27th AGM.*
9. *Any alteration in the Proxy Form must be initialed.*
10. *Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Securities, all the resolution set out in the Notice of 27th AGM will be put to the vote by poll.*

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 27th AGM and/ or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclosure 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 27th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 27th AGM (including any adjournment thereof), and in order for the Company (or its agents) 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.

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World Without Boundaries
SIN-KUNG LOGISTICS BERHAD
 Registration No.: 199401035432 (321115-P)

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 Seventh Annual General Meeting of the Company ("**27th 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 Friday, 12 June 2026 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 27th 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 <i>(Please complete details of proxy below)</i>			
				100%
(b)	Appoint MORE THAN ONE proxy <i>(Please complete details of proxies below)</i>			
<i>Proxy 1</i>				%
<i>Proxy 2</i>				%
				100%
(c)	The Chairman of the 27th 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 for voting at his(her) discretion.

NO.	RESOLUTIONS	FOR		AGAINST	
		PROXY 1	PROXY 2	PROXY 1	PROXY 2
	Ordinary Business				
Ordinary Resolution 1	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	To re-elect Lee Lean Suan as Director in accordance with Clause 95 of the Constitution of the Company.				
Ordinary Resolution 3	To re-elect Dato' Ir. Haji Mohamad bin Dalib as Director in accordance with Clause 95 of the Constitution of the Company.				
Ordinary Resolution 4	To re-elect Tan Soo Mooi as Director in accordance with Clause 95 of the Constitution of the Company.				
Ordinary Resolution 5	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 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	To approve the proposed new Shareholders' mandate and renewal of existing Shareholders' mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.				

Dated this _____ day of _____ 2026

 Signature / Common Seal of Shareholder

Contact No: _____



Notes:

1. *A member of the Company who is entitled to attend, speak and vote at this 27th 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.*
2. *Where a member appoints more than one (1) proxy to attend and vote at the same 27th AGM, the appointment shall be invalid unless he(she) specifies the proportion of his(her) holdings to be represented by each proxy.*
3. *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.*
4. *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.

5. *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.*
6. *The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the 27th AGM or at any adjournment thereof, as follows:*

(a) In hard copy form

*The original instrument appointing a proxy (“**Proxy Form**”) must be deposited at 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.*

(b) By electronic means

The Proxy Form can also be lodged electronically via online lodgement facility, please login to the link website at <https://srmy.vistra.com> and select “e-Services” to login.

7. *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.*
8. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 5 June 2026 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this 27th AGM.*
9. *Any alteration in the Proxy Form must be initialed.*
10. *Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Securities, all the resolution set out in the Notice of 27th 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 27th AGM and/or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclosure 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 27th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 27th AGM (including any adjournment thereof), and in order for the Company (or its agents) 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.