KLN

2025 COMPANY OF THE YEAR

Driving impact across the customer value chain

RECOGNIZED FOR BEST PRACTICES IN THE ASIA-PACIFIC LOGISTICS INDUSTRY

FROST & SULLIVAN

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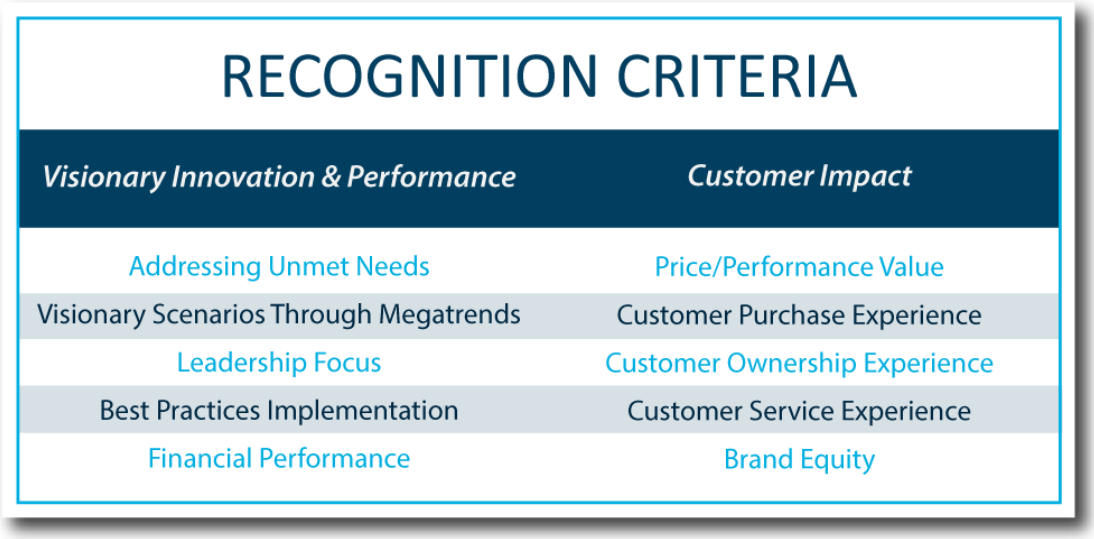
Best Practices Criteria for World-class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each recognition category before determining the final recognition recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. KLN Logistics Group Limited excels in many of the criteria in the logistics space.



Global Reach, Local Expertise, and Value-driven Leadership

Established in 1981 and headquartered in Hong Kong, KLN Logistics Group Limited (KLN) is a global third-party logistics company with a strong foothold across Asia. Its comprehensive portfolio includes integrated logistics (IL), international freight forwarding (IFF) across all major transport modes, e-commerce, industrial project logistics, and infrastructure investment. KLN has built a broad global network that enables efficient intercontinental and local logistics connectivity. Longstanding relationships with local stakeholders help the company navigate complex regulatory landscapes and ensure reliable operations and service delivery.

KLN aligns its actions with 3 principles (commitment, action, and transparency) and 6 pillars (people, environment, customers, business ethics, supply chain, and community), driving long-term stakeholder value. The company operates in 59 countries and territories across Europe, the Caucasus, Central Asia, Greater China, North Asia, North America, Africa, the Middle East, South Asia, Southeast Asia, Oceania, and Latin America. With over 18,000 employees and more than 2,200 self-owned operating vehicles, KLN is leading in Asia-Pacific's (APAC) logistics market.[1]

KLN maintains a strategic focus on decarbonization by integrating sustainability-driven best practices into its operations, products, and services. The company aims to achieve net-zero carbon emissions by 2050 and has taken concrete steps toward this goal. It expanded renewable energy use by installing additional solar panels at warehouses in China and the United States (US). In China, KLN has added two fully electric

[1] *Sustainability Report 2024* (KLN Logistics Group Limited)

long-haul trucks to its fleet, minimizing carbon dioxide emissions by approximately 92 kilograms per 100 kilometers compared to diesel vehicles.

KLN drives operational efficiency and environmental stewardship through targeted facility upgrades. In 2024, it replaced over 800 lights with smart lighting at the KLN Logistics Centre in Tampines, Singapore, lowering electricity usage by 25%. In Hong Kong, KLN extended smart lighting to an additional 200,000 square feet of its warehouse space. It also advanced circular packaging efforts by repurposing 50% of post-consumer waste packaging and maintaining the use of bio-based packaging materials. KLN launched its first oil barge in Hong Kong, equipping it with solar panels to lower reliance on traditional energy resources.[2] These initiatives underscore the company's dedication to reducing its environmental impact across the supply chain.

Harmonizing with Hong Kong's roadmap on sustainability disclosure, KLN is preparing to meet the Hong Kong Stock Exchange's new climate disclosure requirements. As part of this effort, the company is assessing how climate-related risks and opportunities may affect its financial performance. Leveraging these findings, KLN is shaping its corporate strategy, policy development, and action plans, underscoring its commitment to responsible environmental governance.

Frost & Sullivan acknowledges KLN's role in redefining APAC's logistics landscape by combining focused environmental initiatives with exponential business growth. Its upward momentum signals sustained leadership in the region.

Navigating Industry Challenges with Strategic Agility

KLN actively addresses industry challenges and unmet customer needs, showcasing agility, foresight, and adaptability. In 2024, the company navigated complex macroeconomic difficulties—such as escalating geopolitical tensions, deglobalization, and the Red Sea crisis—that disrupted global trade and created market volatility. KLN promptly turned these issues into growth opportunities, fortifying its competitive edge. The company-maintained profitability and ensured continued progress through a focused cost optimization strategy, streamlining infrastructure, automating processes, and managing capital prudently. Additionally, KLN applies risk management strategies to pinpoint and mitigate potential disruptions, safeguarding operational continuity amid uncertainty.

KLN addressed supply chain disruptions and fluctuating freight rates through tailored solutions, positioning itself as a reliable logistics partner. The company capitalized on its expansive logistics network to offer industrial project logistics services, enriching its IFF business segment. KLN secured new upstream and downstream projects in the energy, power, renewables, and construction sectors by operating as an engineering, procurement, and construction contractor, delivering end-to-end solutions from project management to installation. This segment contributed over HK$1.7 billion in revenue in 2024 and is anticipated to become a key growth driver for the company moving forward.[3]

As trade protectionism rises and US–China decoupling fragments the global economy, KLN expects a deeper structural shift in Asia's supply chain. In response, the company plans to reinforce its strategic positioning in the region, harnessing its well-established market presence to build transformative

[2] Ibid.
[3] Frost & Sullivan's Interview with KLN (May 2025)

solutions that empower cross-border connectivity and strengthen global trade. It has diversified its logistics footprint beyond Greater China by establishing alternative distribution hubs in SE Asia. The company also invests in digital freight solutions and end-to-end visibility tools—such as the Virtual Buying Office and Track & Trace—to strengthen supply chain resilience and improve responsiveness to geopolitical and trade-related disruptions. The company adapts its business framework to market changes by monitoring key trends, enhancing operational efficiency, and harmonizing its offerings with customers' shifting requirements.

KLN invests in workforce development to bolster service quality. The company conducts regular training programs to equip employees with the latest industry insights, best practices, and critical problem-solving skills. These efforts ensure teams stay prepared to navigate challenges effectively.

> *"Stable cash flow and solid expertise enable KLN to scale its infrastructure and services while proving market responsiveness. Targeted investments facilitate optimized and reliable logistics solutions. The company exemplifies strategic foresight by turning macroeconomic volatility into growth avenues through technological innovation, risk management, and cost optimization."*
>
> ***- Iqra Azam***
> ***Best Practices Research Analyst***

KLN sets itself apart by combining its global expertise with a strong local presence. This dual advantage allows the company to provide high-quality, end-to-end services across countries. Local teams tailor solutions to clients' needs by leveraging strong ties with third-party shipping providers and region-specific resources—an edge over other market players. This strategic advantage enables KLN to negotiate more competitive pricing and favorable contract terms, helping clients reduce logistics costs while benefiting from superior service. Moreover, it catalyzes higher client satisfaction and transportation safety while reducing losses from transit-related accidents, reinforcing KLN's reputation as a dependable logistics partner.

KLN integrates artificial intelligence (AI) across its operations to enhance logistics efficiency and responsiveness. To support supply chain digitalization and end-to-end visibility, the company deploys a suite of advanced tools, including radio-frequency identification, PutWall systems, robotics butlers, automatic storage and retrieval systems, supply chain control towers, data analytics, AI-enabled cameras, and supply chain network design tools. These technologies streamline workflows, reduce manual intervention, and accelerate data-driven decision-making. The AI-enabled cameras monitor production in real time, strengthen quality control, and curtail the need for manual oversight. This integrated approach empowers clients with intelligent, future-ready solutions that align with the industry's dynamic demands.

KLN installed a PutWall system for its chilled logistics operations in Hong Kong, significantly improving throughput and workforce performance. The system sorts up to 2,100 pieces per hour and serves over 200 stores daily, optimizing the sorting process and saving labor costs by 15%.[4] In Myanmar, KLN deployed the Odoo management system to streamline finance, commercial, and procurement workflows, decreasing response times.

[4] Ibid.

KLN collaborates with S.F. Holding to create strategic synergies and unlock cross-selling opportunities, delivering a one-stop service from the first mile to the last. This partnership enables KLN to offer an integrated, multi-model logistics solution by combining different transportation modes, which improves operational efficiency and minimizes transit times. This offering enhances service delivery across client segments—including air freight, ocean shipping, and ground transportation—and positions KLN to address customer needs with customized solutions. Together, KLN and S.F. Holding also manage the international cargo terminal at Ezhou Airport in central China.

KLN drives long-term growth by investing in global infrastructure. In Thailand, the company operates Siam Seaport, a key logistics asset supporting a range of services, including port and terminal operations, warehousing and storage, integrated logistics solutions, specialized industrial logistics, and digital tracking and visibility. In the Netherlands, KLN opened a new 61,000-square-foot bonded logistics facility to expand its service across Europe, the Middle East, and Africa (EMEA) and meet rising e-commerce demand. In March 2024, the company acquired a majority stake in Business By Air SAS, a leading French international freight forwarding company. This acquisition fortifies KLN's global IFF capabilities and its position in the EMEA region.[5]

KLN actively invests in project logistics initiatives, showcasing its commitment to safe, timely, and cost-effective solutions while upholding the highest ethics, quality, health, safety, security, and environmental compliance. For example, it conducted on-site inspections to assess road conditions and undertook essential repairs to pavements and bridges to facilitate the transport of 37 wind turbine sets. In total, KLN repaired 20 roads in Kazakhstan and 26 roads in Azerbaijan, ensuring safe and efficient project execution.[6]

Stable cash flow and solid expertise enable KLN to scale its infrastructure and services while proving market responsiveness. Targeted investments facilitate optimized and reliable logistics solutions. The company exemplifies strategic foresight by turning macroeconomic volatility into growth avenues through technological innovation, risk management, and cost optimization.

Sustained Financial Performance Strengthens Market Leadership

KLN's best practices, customer-centric approach, and success-oriented initiatives galvanize exponential financial growth, fortifying its leadership in the logistics sector. In 2024, considering only continuing operations, its revenue grew by 23% to HK$58,274 million, increased core operating profit by 23% to HK$2,725 million, and raised core net profit by 12% to HK$1,357 million.[7] Collaborations with S.F. Holding further bolstered customer acquisition, particularly among Chinese organizations expanding into international markets.

To expand its APAC footprint, KLN adopts an all-inclusive, aligned, adhesive, and ambitious development strategy that emphasizes wide geographic coverage and a diverse product portfolio. The company intensifies its focus on South and Southeast Asia to maximize profitability in fast-growing countries such

[5] https://www.kln.com/en/press/press-release/2024/kerry-logistics-network-acquires-french-air-freight-specialist-bba-br-to-strengthen-its-position-in-emea-and-global-iff-capabilities/#:~:text=Kerry%20Logistics%20Network%20Limited%20('Kerry,freight%20forwarding%20('IFF')
[6] Frost & Sullivan's Interview with KLN (May 2025)
[7] Annual Report 2024

as Thailand, Vietnam, and Indonesia. It also explores opportunities in developing markets like Sri Lanka, particularly within its international logistics segment.

Frost & Sullivan views KLN's remarkable growth momentum and trajectory as a testament to its client-centricity, game-changing solutions, and exceptional operational strategies. These strategies earn client trust and empower it to capture a higher market share.

Streamlined Customer Experience Galvanizes Longstanding Relationships

KLN ensures unparalleled customer ownership experience by refining its services to match evolving client needs. By closely monitoring demand patterns, the company offers flexible, end-to-end solutions that enhance supply chain efficiency. In response to escalating interest in sea-air and road-air freight services across Eurasia, KLN upgraded its capabilities to transport shipments from Chinese seaports to European airports within 16 to 21 days—approximately 40% cheaper than conventional air freight and up to 40% faster than sea freight. This innovation highlights KLN's ability to balance speed and affordability effectively.[8]

> *"By leveraging AI-empowered technologies, strategic synergies, and an expansive global footprint, KLN fortifies its position as a trusted cross-border logistics partner. The company integrates global capabilities with local expertise, driving superior customer experiences while setting new industry standards."*
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> ***Best Practices Research Analyst***

KLN streamlines the purchase experience through personalized support and transparent communication. Dedicated account managers guide clients through setup and help them understand KLN's systems and services. The company also offers client training sessions and access to resources that enable users to maximize value from the get-go. By actively engaging clients through regular check-ins and feedback sessions, KLN promptly resolves concerns and adapts its services to close any gaps.

KLN adopts a localized customer service strategy, tailoring procedures to align with country-specific demands. For example, in Myanmar, KLN rolled out a comprehensive training program in customer relationship management, focusing on prompt and empathetic problem resolution. In Vietnam, service agents conduct routine post-complaint follow-ups, driving satisfaction ratings between 97% and 100%. In Oceania, KLN implements the net promoter score system to maintain high service standards, while in Hong Kong, it uses performance scorecards to track and boost customer satisfaction. In 2024, these initiatives contributed to zero customer complaints with significant operational impact.[9] To sustain its reputation as a trusted service provider, KLN offers multiple communication channels—phone, email, letters, and in-person interactions—for clients to raise concerns. This customer success-driven framework fosters loyalty and reinforces KLN's competitive edge.

[8] Frost & Sullivan's Interview with KLN (May 2025)
[9] Ibid.

Conclusion

Harnessing 44 years of industry knowledge, KLN has cemented its leadership in APAC's logistics industry. The company exemplifies operational excellence, resilience, and innovation in a constantly evolving market. KLN differentiates itself from competitors through a future-oriented, customer-first approach, delivering customized, all-encompassing solutions. Its focus on environmental sustainability, digital transformation, and infrastructural expansion demonstrates a strategic commitment to long-term development and value creation. By leveraging AI-empowered technologies, strategic synergies, and an expansive global footprint, KLN fortifies its position as a trusted cross-border logistics partner. The company integrates global capabilities with local expertise, driving superior customer experiences while setting new industry standards.

With its strong overall performance, KLN Logistics Group Limited earns Frost & Sullivan's 2025 Asia-Pacific Company of the Year Recognition in the logistics industry.

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What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Recognition is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Recognition Analysis

For the Company of the Year Recognition, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed to create growth opportunities across the entire value chain

Visionary Scenarios Through Megatrends: Long-range scenarios are incorporated into the innovation strategy by leveraging mega trends and cutting-edge technologies, thereby accelerating the transformational growth journey

Leadership Focus: The company focuses on building a leadership position in core markets to create stiff barriers to entry for new competitors and enhance its future growth potential

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate consistent, repeatable, and scalable success

Financial Performance: Strong overall business performance is achieved by striking the optimal balance between investing in revenue growth and maximizing operating margin

Customer Impact

Price/Performance Value: Products or services offer the best ROI and superior value compared to similar market offerings

Customer Purchase Experience: Purchase experience with minimal friction and high transparency assures customers that they are buying the optimal solution to address both their needs and constraints

Customer Ownership Excellence: Products and solutions evolve continuously in sync with the customers' own growth journeys, engendering pride of ownership and enhanced customer experience

Customer Service Experience: Customer service is readily accessible and stress-free, and delivered with high quality, high availability, and fast response time

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty, which is regularly measured and confirmed through a high Net Promoter Score®

Best Practices Recognition Analytics Methodology

Inspire the World to Support True Leaders

This long-term process spans 12 months, beginning with the prioritization of the sector. It involves a rigorous approach that includes comprehensive scanning and analytics to identify key best practice trends. A dedicated team of analysts, advisors, coaches, and experts collaborates closely, ensuring thorough review and input. The goal is to maximize the company's long-term value by leveraging unique perspectives to support each Best Practice Recognition and identify meaningful transformation and impact.

		VALUE IMPACT	
STEP		WHAT	WHY
1	**Opportunity Universe**	Identify Sectors with the Greatest Impact on the Global Economy	Value to Economic Development
2	**Transformational Model**	Analyze Strategic Imperatives That Drive Transformation	Understand and Create a Winning Strategy
3	**Ecosystem**	Map Critical Value Chains	Comprehensive Community that Shapes the Sector
4	**Growth Generator**	Data Foundation That Provides Decision Support System	Spark Opportunities and Accelerate Decision-making
5	**Growth Opportunities**	Identify Opportunities Generated by Companies	Drive the Transformation of the Industry
6	**Frost Radar**	Benchmark Companies on Future Growth Potential	Identify Most Powerful Companies to Action
7	**Best Practices**	Identify Companies Achieving Best Practices in All Critical Perspectives	Inspire the World
8	**Companies to Action**	Tell Your Story to the World (BICEP*)	Ecosystem Community Supporting Future Success

*Board of Directors, Investors, Customers, Employees, Partners

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The Growth Pipeline Generator™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

Learn more.

Key Impacts:

- **Growth Pipeline:** *Continuous Flow of Growth Opportunities*
- **Growth Strategies:** *Proven Best Practices*
- **Innovation Culture:** *Optimized Customer Experience*
- **ROI & Margin:** *Implementation Excellence*
- **Transformational Growth:** *Industry Leadership*



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- Megatrend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)

