

FROST & SULLIVAN
BEST PRACTICES



2026

**ASIA PACIFIC
LOGISTICS**

COMPANY OF THE YEAR



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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.

RECOGNITION CRITERIA	
<i>Visionary Innovation & Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Megatrends	Customer Purchase Experience
Leadership Focus	Customer Ownership Experience
Best Practices Implementation	Customer Service Experience
Financial Performance	Brand Equity

The Transformation of the Logistics Industry in APAC

The Asia-Pacific (APAC) logistics industry is evolving into one of the world’s most dynamic and strategically important supply chain markets, supported by expanding manufacturing activity, rising cross-border trade, and accelerating e-commerce adoption. Countries across Southeast Asia, China, India, Japan, and Australia invest in transportation infrastructure, industrial development, and digital connectivity to strengthen regional and global trade integration. These developments increase demand for integrated logistics, contract logistics, freight forwarding, warehousing, and multimodal transportation services.

The industry increasingly prioritizes agility, visibility, and end-to-end supply chain management as companies diversify sourcing and manufacturing operations beyond traditional production hubs. The growing “China Plus One” strategy is reshaping regional trade flows and creating opportunities for logistics providers with strong regional networks and cross-border capabilities. Leading players such as KLN Logistics Group Limited (KLN) expand integrated logistics capabilities across APAC to support multinational companies navigating supply chain diversification and evolving customer expectations.

Digital transformation remains a defining industry trend as logistics providers adopt artificial intelligence (AI), automation, predictive analytics, and smart logistics platforms to improve efficiency, forecasting accuracy, and operational responsiveness. Companies also invest in sustainable logistics infrastructure, energy-efficient warehousing, and greener transportation solutions to align with tightening environmental regulations and environmental, social, and governance (ESG) priorities.

Despite strong long-term growth opportunities, the APAC logistics market continues to face operational and structural challenges. Geopolitical tensions, tariff uncertainty, infrastructure gaps, rising transportation costs, labor shortages, and ongoing supply chain disruptions continue to pressure logistics providers across the region. At the same time, customers increasingly expect fast delivery, transparency, flexible routing, and resilient supply chain support, forcing logistics companies to modernize operations and strengthen service capabilities.

“Frost & Sullivan views KLN’s strategic transformation as a forward-looking response to structural shifts in global trade and supply chain management. By aligning network expansion, digitalization, and regional diversification with evolving customer demands, KLN strengthens its position as a resilient logistics leader capable of supporting increasingly complex cross-border operations across APAC and global markets.”

- Nur Juliana binti Jusoh
Best Practices Research Analyst

Building a Future-Ready Logistics Network Through Strategic Transformation

Established in 1981 and headquartered in Hong Kong, KLN is a leading Asia-based global logistics provider specialising in integrated logistics(IL), international freight forwarding (IFF), and supply chain solutions. KLN has built a long-term strategy around the structural changes reshaping global supply chains. The company recognized early that geopolitical uncertainty, shifting trade policies, supply chain diversification, and rapid digitalisation would permanently change logistics requirements across APAC and global markets. Instead of reacting to

disruption, KLN repositioned its business to help customers adapt quickly, maintain operational continuity, and improve supply chain flexibility.

KLN launched its “KLN 2.0” transformation strategy to strengthen integration across its global network, accelerate growth, and improve customer responsiveness. The strategy focuses on expanding network coverage, deepening customer relationships, increasing shipment volume, and improving operational consistency across regions. KLN also aims to become one of the world’s top five logistics providers by combining scale, technology, and customer-centric execution.

The company aligned its expansion strategy with the growing “China Plus One” movement, which has pushed manufacturers to diversify production and sourcing across Southeast Asia and India. KLN leveraged its strong regional footprint to support customers shifting operations into emerging Asian markets by strengthening cross-border transportation, warehousing, and freight forwarding capabilities across countries such as Vietnam, Thailand, Malaysia, and India. Its extensive Southeast Asian network enabled multinational companies to reroute shipments, establish distribution channels, and maintain supply chain continuity while adjusting manufacturing and sourcing strategies.

KLN also captured growth opportunities from rising intra-Asia trade and alternative Asia-Europe trade corridors. The company intensified its position as a leading logistics partner for businesses seeking flexible and resilient trade routes amid geopolitical and tariff-related uncertainty. As the world’s leading Trans-Pacific Non-Vessel Operating Common Carrier from Asia to the United States, KLN responded quickly to changing trade conditions by securing freight capacity and expediting shipments for customers.

The company further enhanced its market relevance by investing in specialized logistics segments with long-term growth potential. KLN expanded its project logistics business to support engineering, infrastructure, and industrial projects that require highly coordinated cross-border logistics execution. KLN's project logistics activities within its IFF division continued to demonstrate strong demand in 2025, reflecting growing customer reliance on specialized and complex logistics capabilities.

KLN also identified air freight ancillary services as a strategic growth area. Through its joint venture with SF Holding at Ezhou Airport in Central China, the company expanded international cargo handling capabilities and fortified its role within regional air freight infrastructure. The rapid growth in cargo handling volume at the airport reflected increasing demand for cross-border e-commerce and high-speed international logistics services.

Digital transformation also plays a central role in KLN's long-term strategy. The company uses AI to improve operational planning, automate workflows, optimize financial processes, and enhance decision-making speed. These capabilities allow KLN to improve operational efficiency while helping customers navigate increasingly complex supply chain environments.

Frost & Sullivan views KLN's strategic transformation as a forward-looking response to structural shifts in global trade and supply chain management. By aligning network expansion, digitalization, and regional diversification with evolving customer demands, KLN strengthens its position as a resilient logistics leader capable of supporting increasingly complex cross-border operations across APAC and global markets.

Enhancing Customer Experience Through Integrated and High-Performance Logistics

KLN consistently delivers strong operational performance through disciplined execution, integrated logistics capabilities, and technology-driven process improvement. The company combines global scale with regional expertise, enabling customers to improve efficiency, reduce supply chain complexity, and maintain operational flexibility.

KLN operates a diversified logistics model that integrates freight forwarding, warehousing, multimodal transportation, e-commerce logistics, project logistics, and supply chain management services. This integrated structure allows customers to consolidate logistics operations under a single provider, improving coordination and reducing operational fragmentation.

The company supports customers through an extensive network that spans 58 countries and territories, more than 58 million square feet of logistics facilities, and over 18,000 employees worldwide¹. This network allows KLN to provide flexible routing options, local market support, and scalable logistics solutions across both developed and emerging markets.

KLN enhances operational efficiency through disciplined management practices and continuous optimization. During periods of market uncertainty, the company focused on maintaining profitable shipment volume, strengthening receivables management, and controlling operating costs instead of pursuing unsustainable short-term growth. This disciplined approach protected profitability while maintaining service quality. The company also improved operational efficiency by streamlining workflows and rightsizing selected operations within slower-growth markets. At the same time, KLN continued

¹ KLN's Sustainability Report 2025

investing in higher-growth regions across Southeast Asia and strategic logistics infrastructure that supports long-term expansion.

Technology integration remains a core component of KLN's operational strategy. The company uses AI-driven systems to improve forecasting accuracy, automate internal processes, optimize logistics planning, and accelerate decision-making. These initiatives improve productivity, reduce inefficiencies, and strengthen supply chain responsiveness.

KLN also differentiates itself through strong multimodal freight capabilities. The company offers integrated air, ocean, rail, road, and cross-border transportation services that allow customers to balance cost, speed, and operational priorities based on specific business requirements.

Its leadership position within Trans-Pacific freight forwarding further demonstrates the company's execution capabilities. During periods of elevated shipping demand, KLN secured freight capacity for customers and adjusted shipment strategies quickly to minimize disruption and maintain supply chain continuity.

KLN's project logistics division also highlights its ability to manage highly complex logistics operations. The company supports industrial and infrastructure projects that require specialized coordination, technical expertise, and cross-border execution capabilities. These services create significant value for customers operating in engineering, construction, and industrial sectors.

KLN complements operational performance with strong governance and sustainability practices. The company received ESG-related recognition for sustainability reporting, governance transparency, and responsible corporate practices. These recognitions reinforce KLN's commitment to long-term value creation and operational accountability.

Frost & Sullivan recognizes KLN's operational model for combining disciplined execution with scalable logistics integration. Through multimodal capabilities, AI-enabled optimization, and strong regional infrastructure, KLN consistently delivers efficient, flexible, and cost-effective logistics solutions that enhance supply chain performance without compromising service reliability.

Strengthening Market Leadership Through Financial Resilience and Brand Credibility

KLN has maintained strong financial resilience despite operating within a highly volatile global logistics environment. The company continues to generate stable profitability through disciplined management, diversified revenue streams, and strategic expansion across high-growth markets.

In 2025, KLN recorded revenue of HK\$56.3 billion and increased core net profit by 3% to HK\$1.396 billion despite ongoing geopolitical tensions, tariff uncertainty, and softer global freight demand. Profit attributable to shareholders increased by 7% to HK\$1.411 billion, reflecting the company's ability to protect profitability during challenging market conditions².

KLN maintained stable financial performance by balancing operational discipline with targeted growth investment. The company enhances profitability through cost management, receivables control, and network optimization while continuing to invest in technology, infrastructure, and regional expansion.

² KLN's Financial Results 2025

The company's diversified business structure also strengthens financial stability. Growth across Southeast Asia and specialized logistics services offset softer demand in selected traditional markets. KLN's project logistics business, IFF operations, and integrated logistics services all contributed to overall financial resilience.

"Frost & Sullivan believes KLN's sustained profitability and strong industry recognition reflect the strength of its diversified business strategy and long-term market positioning. By maintaining financial resilience during volatile market conditions and continuing to invest in strategic growth initiatives, KLN reinforces its reputation as one of APAC's most trusted logistics providers."

- Jeff Tan
Director, SC&L APAC

KLN also demonstrated strong financial momentum over the previous reporting period. In 2024, the company achieved 23% revenue growth and 23% growth in core operating profit, while core net profit increased by 12%. Profit attributable to shareholders increased by 95% year-on-year, reflecting strong operational execution and improved business performance³.

The company continues to strengthen long-term financial sustainability through strategic investment. KLN invests in digital transformation, regional infrastructure, air freight capabilities, and operational integration while maintaining disciplined financial

management. This balanced approach supports long-term expansion without compromising profitability or operational stability.

KLN has also established strong brand equity across the global logistics industry. The company operates across 58 countries and territories and maintains a longstanding reputation for integrated logistics expertise, operational reliability, and regional market knowledge. Its extensive network and strong execution capabilities continue to bolster customer confidence and market credibility.

The company also benefits from its strategic relationship with SF Holding, one of the world's leading logistics and express delivery companies. This relationship enhances operational synergies, expands network capabilities, and enhances KLN's competitive positioning across Asia and international trade corridors.

Frost & Sullivan believes KLN's sustained profitability and strong industry recognition reflect the strength of its diversified business strategy and long-term market positioning. By maintaining financial resilience during volatile market conditions and continuing to invest in strategic growth initiatives, KLN reinforces its reputation as one of APAC's most trusted logistics providers.

³ Ibid.

Conclusion

KLN Logistics Group continues to strengthen its leadership position within the Asia-Pacific (APAC) logistics industry through strategic foresight, operational discipline, and customer-focused execution. The company has successfully aligned its long-term growth strategy with evolving global trade patterns, supply chain diversification, and digital transformation trends. Through KLN 2.0, ongoing infrastructure investment, and AI-driven operational enhancement, KLN continues to improve agility, scalability, and service reliability across its global network. At the same time, the company maintains strong financial resilience and reinforces customer trust through integrated logistics solutions and responsive service delivery. Its consistent industry recognition, strong regional presence, and ability to adapt to changing market conditions further differentiate KLN within an increasingly competitive logistics landscape. By combining innovation, operational excellence, and long-term strategic vision, KLN continues to deliver significant value to customers, stakeholders, and the broader supply chain ecosystem.

With its strong overall performance, KLN Logistics Group Limited earns Frost & Sullivan's 2026 APAC Company of the Year Recognition in the logistics industry.

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 megatrends 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.

STEP		VALUE IMPACT	
		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

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Generator™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fueled 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)**

