

CORPORATE GOVERNANCE REPORT

STOCK CODE : 1287
COMPANY NAME : EXSIM Hospitality Berhad
FINANCIAL YEAR : June 30, 2026

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>At EXSIM Hospitality Berhad ("Company" or "EHB"), the Board of Directors ("Board") of the Company continues to uphold high standards of corporate governance and accountability, recognising its responsibility for the overall leadership, strategic direction, and sustainable value creation of the Company and its subsidiaries ("the Group"). The Board is fully committed to ensuring that the Group conducts its business with integrity, transparency, and in the best interests of shareholders and stakeholders.</p> <p>The Board remains collectively responsible for guiding the Group in achieving its strategic objectives, ensuring effective oversight of performance and governance, and embedding sustainability considerations including economic, environmental, social and governance ("EESG") factors into its business decisions for long-term success.</p> <p>To carry out its responsibilities effectively, the Board adheres to the provisions of its Board Charter, which clearly defines the duties of the Board, the roles of Management, Executive Directors, Independent Non-Executive Directors, as well as the functions of the various Board Committees. The Board is supported by the Audit Committee ("AC"), Nomination Committee ("NC"), Remuneration Committee ("RC") and Risk Management Committee ("RMC") (collectively, the "Board Committees"), each operating under defined Terms of Reference ("TOR") and reporting to the Board on their deliberations and recommendations.</p> <p>During the financial year ended 30 June 2026 ("FYE 2026"), the Board:</p> <ol style="list-style-type: none">1. Strategic Leadership Provided oversight and direction in formulating and monitoring the Group's strategic plans, ensuring alignment with the Group's long-term vision and sustainability priorities.2. Resource Allocation Ensured adequate resources, including financial, human capital and technological capabilities, were available to support the Group's objectives.3. Performance Oversight Monitored the performance of the Management team through structured reviews of quarterly financial and operational performance, budgets, and major capital commitments.

	<p>4. Sustainability and Risk Oversight Considered sustainability opportunities and risks in strategic decision-making, while receiving reports from the RMC on significant risks with potential impact on the Group's internal control environment.</p> <p>5. Ethics and Values Promoted and reinforced corporate values and ethical standards throughout the organisation to foster a culture of good governance, integrity and accountability.</p> <p>6. Stakeholder Engagement Ensured timely, accurate and transparent disclosures, while maintaining constructive engagement with shareholders, regulators and other stakeholders.</p> <p>The Board convened eight (8) meetings during FYE 2026 and Directors engage in the following activities:-</p> <ul style="list-style-type: none"> (a) Developing the Company's strategy and monitoring its performance and implementation. (b) Assessing the Company's performance quarterly. (c) Reviewing quarterly financial results and announcements. (d) Reviewing and considering the proposed acquisition of property. (e) Reviewing and considering the proposed rights issue with free warrants. (f) Receiving reports from Board Committees on key matter. (g) Providing constructive feedback and guidance on areas for improvement. (h) Reviewing and following up on issues raised in each meeting to ensure recommended actions items and solutions are implemented. <p>While the Board Committees oversee specific areas in line with their mandates, the Board retains ultimate responsibility for the Group's corporate governance, sustainability and performance.</p> <p>The Board Charter, which sets out the principal responsibilities of the Board including oversight of strategy, sustainability, risk management, succession planning, financial integrity, governance, and ethical conduct remains available on the Company's website at https://www.exsimhospitality.com/investor-relations/corporate-governance.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is led by Datuk Leong Kam Weng, who serves as the Independent Non-Executive Chairman. His primary responsibility is to lead and manage the work of the Board to ensure that it operates effectively and discharges its roles and regulatory responsibilities in accordance with the highest standards of corporate governance. The specific roles and responsibilities of the Chairman are outlined in the Company's Board Charter, which is available on the Company's website.</p> <p>As Chairman, Datuk Leong Kam Weng acts as the main liaison between the Board and Management, chairs meetings of the Board and shareholders (including the Annual General Meeting), and ensures that there is effective communication between the Board, Management and shareholders. In consultation with the Company Secretaries, he sets the agenda for Board meetings and ensures that all relevant matters are included for discussion.</p> <p>During FYE 2026, the Chairman continued to provide leadership in Board deliberations by encouraging open and constructive participation, ensuring that all Directors were given the opportunity to express their views, and guiding discussions to facilitate informed decision-making. He also ensured that the Board devoted adequate time to deliberate on key strategic, operational, financial and governance matters.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of the Board Chairman and the Managing Director in the Company are held by different individuals, thereby ensuring a balance of power and authority which promotes the Board's impartial oversight of Management and enhances accountability.</p> <p>Datuk Leong Kam Weng, the Independent Non-Executive Chairman, assumes stewardship of the Board. He is responsible for promoting sound corporate governance practices among Board members, providing leadership, and ensuring the overall effectiveness of the Board.</p> <p>In EHB, the executive leadership is co-directed by the Managing Director, Mr. Tan Hai Liang ("Mr. Tan") and the Executive Director, Mr. Paramjit Singh Gill A/L Gurdev Singh ("Mr. Paramjit"). Mr. Tan is primarily responsible for formulating and implementing the Group's overall business strategies and corporate development plans, including oversight of corporate policies and management practices. Mr. Paramjit focuses on supervising the Group's day-to-day business operations to ensure operational efficiency and effective execution of strategies.</p> <p>The clear delineation of roles and responsibilities between the Board Chairman, the Managing Director and the Executive Director are defined in the Board Charter, ensuring a balanced and objective approach to decision-making. The Board Charter is available on the Company's website at https://www.exsimhospitality.com/investor-relations/corporate-governance</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: Datuk Leong Kam Weng, who serves as the Independent Non-Executive Chairman of the Board, continues to be a member of the AC and the NC, and also serves as the Chairman of the RC. The Chairman of the Board has attended the meetings of the Board Committees during the financial year under review.
	<p>The Company acknowledges this as a departure from Practice 1.4 of the Malaysia Code on Corporate Governance ("MCCG"). The rationale for this arrangement is as follows:</p> <ul style="list-style-type: none">(a) Enhanced Oversight and Coordination Having the Chairman sit on all key Board Committees ensures better communication and coordination between the Board and its Committees. This facilitates alignment on strategic objectives and promotes a unified approach to governance.(b) Combining Expertise and Experience Appointed to the Board since 26 May 2023, the Chairman brings substantial experience and insights into the Company's operations and strategic direction. His involvement in all Committees continues to enrich the quality of discussions and decision-making by leveraging his expertise across various governance areas.(c) Streamlined Decision-Making The Chairman's participation in multiple Committees enables quicker resolutions on key issues, as he provides immediate context and input across different governance aspects, thereby enhancing overall effectiveness.(d) Pragmatic Approach to Governance Given the size and composition of the Board in FYE 2026, the Company adopts a pragmatic approach in which the Chairman's involvement across Committees supports effective governance. This remains a transitional measure as the Company progressively strengthens its governance framework. <p><u>Measures to Mitigate Risks</u> To safeguard objectivity and mitigate the risk of conflicts of interest, the Chairman has formally declared to the AC and the Board his commitment to act in the best interests of the Company, in accordance with the Constitution and the Companies Act 2016 ("Act"). He does not</p>

	<p>participate in discussions or decisions on matters where he has a direct interest.</p> <p>In addition, the Company has put in place robust conflict of interest policies, requiring the Chairman to disclose any potential conflicts arising from his dual roles. Where such conflicts arise, the AC and the Board will evaluate the disclosures and determine the appropriate course of action. The Chairman abstains from deliberation and voting on any matter involving him or where a potential conflict exists.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Although the Chairman of the Board also serves on the AC, NC and chairs the RC, the intended outcome of Practice 1.4 is achieved through safeguards in place to preserve objectivity and independence. The Board and its Committees comprise a majority of Independent Directors, with all deliberations conducted collectively. The Chairman abstains from discussions or decisions where he has a direct or perceived conflict of interest. In addition, robust conflict of interest policies and formal declarations of interest are in place to ensure impartiality. The Board and the Nomination Committee also undertake regular assessments of the governance framework to ensure that it remains effective, transparent and aligned with stakeholders' best interests.
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent company secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>During FYE 2026, the Board was supported by two (2) competent Joint Company Secretaries, namely, Ms. Teo Soon Mei ("Ms. Teo") and Ms. Nazirah Binti Nazri ("Ms. Nazirah"). Both are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016. Ms. Teo is a Fellow of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"), while Ms. Nazirah is an Associate of MAICSA.</p> <p>The Joint Company Secretaries continue to play an active and supportive role in enabling the Board to discharge its fiduciary and statutory duties. During FYE 2026, they undertook, among others, the following responsibilities:</p> <ul style="list-style-type: none"> (a) Advising the Board on compliance with relevant statutory and regulatory requirements, guidelines and legislation; (b) Circulating updates on statutory, regulatory and governance developments for the Board's reference and consideration; (c) Facilitating the orientation of newly appointed Directors and coordinating ongoing training and professional development for the Board; (d) Ensuring that all Board and Board Committee meetings are properly convened, and that deliberations, proceedings and resolutions are accurately minuted and documented; and (e) Keeping themselves abreast of evolving developments in the capital market environment, regulatory landscape and corporate governance practices through continuous training and professional development. <p>To ensure the effective performance of their duties, the Company Secretaries have been and will continue to keep themselves updated with the latest regulatory and corporate governance developments through continuous training and industry updates. During FYE 2026, the Company Secretaries have participated in numerous professional development programmes and training sessions organised by professional body for company secretaries such as MAICSA.</p> <p>The Board is satisfied with the performance and support rendered by the Joint Company Secretaries in FYE 2026 in ensuring effective Board functioning and adherence to good corporate governance practices.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>To ensure the effective conduct of meetings, all Board and Board Committee meetings are scheduled in advance to allow Directors to reserve the necessary dates and plan their attendance. Notices of meetings, together with the agenda, minutes of the previous meeting and comprehensive supporting papers, are circulated to all Directors at least five business days prior to the scheduled meetings. This practice provides Directors with sufficient time to review materials, seek additional clarification where necessary, and be well-prepared for meaningful deliberations.</p> <p>During FYE 2026, the Board convened a total of eight (8) meetings to deliberate on a wide range of matters, including the Group's quarterly financial results, annual audited financial statements, internal audit reports, corporate proposals, strategic business initiatives, and key operational matters. Where appropriate, Senior Management and external advisers were invited to present their insights, provide clarification, and respond to queries raised by the Directors.</p> <p>Minutes of Board meetings are circulated to all Directors on a timely basis to ensure that deliberations, decisions and follow-up actions are properly documented and tracked. Confirmed and signed minutes, together with resolutions, form the official record of proceedings and are maintained securely at the Company's registered office.</p> <p>The Board and its Committees conduct their meetings separately to preserve independence and objectivity. The Chairman of each Board Committee report to the Board on the proceedings of their respective meetings, including key deliberations, recommendations and conclusions.</p> <p>All Directors have unrestricted access to information relating to the Group's business and affairs, and to the advice and services of the Company Secretaries, Internal Auditors and External Auditors. Where necessary, Directors may also seek independent professional advice at the Company's expense to enable them to discharge their responsibilities effectively.</p> <p>By adhering to these practices, the Board continues to uphold transparency, accountability and effective decision-making in discharging its fiduciary duties.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website.

The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted a revised Board Charter on 14 February 2025 to uphold good corporate governance practices and ensure alignment with the MCGG, Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”) and the Act. The revised Charter serves as a primary reference point for Directors by clearly defining the roles, responsibilities, and authority of the Board and its Committees, thereby promoting accountability, transparency and consistency in Board operations.</p> <p>The Board Charter encompasses, among others, the following core areas:</p> <ul style="list-style-type: none"> (a) Roles and principal responsibilities of the Board; (b) Board composition and structure; (c) Roles and responsibilities of the Board Chairman, Managing Director, Executive Directors, Non-Executive Directors, Independent Directors and Company Secretaries; (d) Board Committees; (e) Board diversity; (f) Board procedures; (g) Directors' training and continuing education; (h) Appointment, vacation of office and removal of Directors; (i) Conflict of interest and related party transactions; (j) Directors' remuneration; (k) Board and Directors' assessment; (l) Representation, communication channel and investor relations; (m) Code of Conduct and Ethics; and (n) Whistle-blowing. <p>In addition, certain matters are specifically reserved for the collective review and approval by the Board of the Company, including:</p> <ul style="list-style-type: none"> (a) Group business strategy and business plan; (b) Annual budgets, including major capital commitments; (c) Material acquisitions and disposals of undertakings and properties; and (d) Changes to the Senior Management and control structure. <p>The TOR for all Board Committees are also available on the Company's website at https://www.exsimhospitality.com/investor-relations/corporate-governance, providing stakeholders with further insight into the responsibilities and operations of each Committee. While certain responsibilities are delegated to the Committees, the Board retains ultimate accountability for overseeing their activities and for the overall governance of the Group.</p>

	The Board Charter is reviewed periodically to ensure its relevance and effectiveness in guiding the Board in discharging its fiduciary and leadership responsibilities. It is accessible to the public on the Company's website at https://www.exsimhospitality.com/investor-relations/corporate-governance , reflecting the Board's commitment to transparency and accountability.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has in place a Code of Conduct & Business Ethics ("Code") which sets out clear guidelines on ethical issues that may arise in the course of business and the standards of behaviour expected of all Directors and employees. The Code applies to the Board, Management, employees, contractors, and business partners. The key areas covered by the Code include:</p> <ul style="list-style-type: none"> (A) Duties of Good Faith, Diligence & Integrity <ul style="list-style-type: none"> (i) Fighting Solicitation, Bribery and Corruption (ii) No Gift Policy (iii) Money Laundering and Due Diligence (iv) Whistleblowing Policy and Reporting (v) Conflict of Interest (B) Confidentiality and Data Protection <ul style="list-style-type: none"> (i) Confidentiality (ii) Data Protection (C) Culture and Environment <ul style="list-style-type: none"> (i) Unlawful Discrimination and Sexual Harassment (ii) Safety, Health and Environment (iii) Drugs, Alcohol and Prohibited Substances (iv) Criminal Activities and Wrongdoings (v) Business Dress and Attire (D) Disciplinary Process and Sanctions <ul style="list-style-type: none"> (i) Good Conduct, Discipline and Sanctions <p>In addition, the Group has established and continues to reinforce its Anti-Bribery and Anti-Corruption ("ABAC") Policy. The ABAC Policy:</p> <ul style="list-style-type: none"> a. Sets out the Group's position on corruption and bribery in all forms that may be encountered in its daily operations; b. Provides guidance to the Group's Directors, employees and business partners on how to deal with improper solicitation, bribery and other corrupt practices; c. Demonstrates the Group's commitment to adhere strictly to all applicable laws on corruption and anti-money laundering, including but not limited to the Malaysian Anti-Corruption Commission Act 2009, the Penal Code (Act 574), and the Anti-Money Laundering,

	<p>Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001;</p> <p>d. Serves as a preventive tool to enable Directors, employees and business partners to recognise, detect and avoid potential corrupt practices; and</p> <p>e. Reinforces the Group's zero-tolerance stance against bribery and corruption.</p> <p>The ABAC Policy applies to:</p> <p>a. The Group's Directors (executive and non-executive);</p> <p>b. Employees, including permanent and contract staff, temporary staff, trainees and interns;</p> <p>c. Business Partners and Joint Venture Partners; and</p> <p>d. Contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of the Group.</p> <p>On 13 February 2026, the Board adopted a revised Anti-Bribery and Anti-Corruption Policy. The revisions strengthened the policy framework, clarified responsibilities and enforcement, updated reporting procedures, and enhanced requirements relating to gifts, hospitality and political contributions.</p> <p>The Board expects all Directors to conduct themselves with the highest standards of integrity, and all employees to behave ethically and professionally at all times, thereby safeguarding the Group's reputation and performance.</p> <p>Both the Code and the ABAC Policy are published on the Company's website at https://www.exsimhospitality.com/investor-relations/corporate-governance for reference.</p> <p>These policies underscore the Group's ongoing commitment to sound corporate governance, ethical conduct, and responsible business practices.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted and implemented a Whistleblowing (“WB”) Policy to provide employees, business partners and other stakeholders with proper internal channels and clear guidelines for raising concerns on any suspected or actual improper conduct at the workplace.</p> <p>The WB Policy addresses, among others, the following:-</p> <ul style="list-style-type: none"> (a) Protection of whistleblowers against retaliation; (b) Reporting procedures to ensure matters are raised in good faith; and (c) Independent investigation process to safeguard fairness and confidentiality. <p>The WB Policy is to be read together with the Company’s Code of Conduct and Discipline for Executives and Employees. It fosters a culture of integrity and ethical behaviour across the Group. The Company actively encourages all stakeholders to speak up and report genuine concerns without fear of reprisal.</p> <p>Whistleblowing reports may be submitted in strict confidence to the following designated persons:-</p> <ul style="list-style-type: none"> (a) Head of Group Audit; or (b) Head of Group Legal; or (c) Group Executive Director; or (d) Chairman of the Audit Committee; or (e) Directly to the Group Executive Chairman <p>The Board, through the AC, oversees the effective implementation of the WB Policy and ensures that all reports are handled in a prompt, fair and independent manner. The Board also reviews and assesses the relevance and effectiveness of the WB Policy on a periodic basis to ensure its adequacy in line with evolving business needs, regulatory developments and industry best practices.</p> <p>On 13 February 2026, the Board adopted a revised Whistleblower Policy to align with the Whistleblower Protection Act 2025. The revisions included enhanced statutory protection for whistleblowers, an additional reporting channel by email, and updated procedures and officers for handling reports.</p> <p>The WB Policy is publicly accessible on the Company’s website at https://www.exsimhospitality.com/investor-relations/corporate-governance.</p>

	For the financial year ended 30 June 2026, no whistleblowing report was received by the Company.	
Explanation for departure	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>In FYE 2026, the Group established a Sustainability Approach that aligns four sustainability pillars, strategic thrusts, material matters and adopted United Nations Sustainable Development Goals ("UN SDGs") with the Group's Vision and Mission. This approach drives sustainable development and reinforces the Group's commitments to stakeholders.</p> <p>The Group reinforced its commitment to sustainability with the introduction of a Sustainability Policy, which outlines core sustainability principles and operational guidelines. The Policy promotes integration of sustainability considerations across the Group's hospitality and fit-out services, guiding ethical conduct, environmental stewardship, inclusive growth and long-term value creation.</p> <p>The Group's four sustainability pillars and strategic priorities are as follows:</p> <ol style="list-style-type: none"> 1. Delivering Economic and Service Excellence <ol style="list-style-type: none"> (a) Manage and invest in hospitality properties that deliver stable returns and long-term resilience. (b) Prioritise local procurement to stimulate economic growth, create business opportunities and enhance supply chain resilience. (c) Drive innovation, operational efficiency and business development. (d) Implement training and process improvements based on industry benchmarks to maintain service excellence. (e) Leverage customer feedback channels to enhance service quality and guest experience. (f) Apply sustainable design principles in fit-out and refurbishment projects, using efficient layouts and sustainable materials. 2. Ethical Governance Standards <ol style="list-style-type: none"> (a) Operate with integrity and prevent corruption, bribery and unethical conduct. (b) Ensure compliance with laws, licensing regulations, employment standards and ESG reporting requirements. (c) Protect data privacy through robust cybersecurity protocols. (d) Promote transparency, ethical behaviour and accountability in all operations. (e) Provide clear disclosure of sustainability practices, performance and goals.

	<p>(f) Uphold the highest standards of integrity and ethical conduct.</p> <p>3. Environmental Stewardship and Sustainability</p> <p>(a) Monitor and optimise energy consumption across properties.</p> <p>(b) Reduce greenhouse gas emissions by adopting low-carbon practices and energy-efficient building operations.</p> <p>(c) Strengthen waste management practices and implement waste reduction initiatives.</p> <p>(d) Optimise water usage by installing water-efficient fixtures and promoting responsible consumption.</p> <p>4. Social Impact and Development</p> <p>(a) Uphold ethical labour standards in line with laws and industry best practices.</p> <p>(b) Enforce strict occupational health and safety protocols to protect employees and guests.</p> <p>(c) Invest in people through training, career development and leadership opportunities.</p> <p>(d) Build a diverse and inclusive workplace that prohibits discrimination.</p> <p>(e) Support local communities and measure social impact through contributions to initiatives that improve social well-being.</p> <p>(f) Track labour practices, staff development and community contributions to drive continuous improvement.</p> <p>The Group supports the UN SDGs, adopting three (3) priority SDGs most relevant to its operations, thereby aligning its sustainability initiatives with global efforts to foster equitable and sustainable development.</p> <p><u>Governance of Sustainability</u></p> <p>To strengthen governance, the Group has established a three-tier governance structure comprising:</p> <p>(a) The Board of Directors Provides ultimate oversight, sets sustainability direction and approves sustainability strategies, policies and targets.</p> <p>(b) Sustainability Steering Committee (“SSC”) Chaired by Senior Management, responsible for formulating and driving Group-wide sustainability strategies, priorities and performance monitoring.</p> <p>(c) Sustainability Working Group (“SWG”) Executes sustainability initiatives, monitors progress on material sustainability matters and reports to the SSC.</p> <p>This governance framework clearly defines roles and responsibilities, ensures accountability, and provides strategic direction for the Group’s sustainability agenda.</p> <p>The Group’s sustainability strategies and performance in addressing the material risks and opportunities are illustrated in the Sustainability Statement in the Company’s Annual Report 2026.</p>
Explanation for departure	:

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group recognises that stakeholder engagement is fundamental to building trust, ensuring accountability and aligning sustainability strategies with stakeholder expectations. In FYE 2026, the Group engaged with diverse stakeholder groups through structured channels, including shareholders and investors, regulatory authorities, financial institutions, guests and customers, employees, suppliers, and local communities. These engagements enabled the Group to understand concerns, identify emerging trends in the hospitality sector, and incorporate valuable feedback into its sustainability initiatives.</p> <p>Key highlights of stakeholder engagement include:</p> <ul style="list-style-type: none"> (a) Shareholders and Investors Regular updates on financial performance, strategic priorities and Environment, Social and Governance (“ESG”) integration via Annual Reports, Annual General Meetings (“AGMs”), quarterly reports and the corporate website. (b) Regulatory Authorities Ongoing compliance with hospitality regulations and health and safety standards, with active participation in regulatory seminars and full cooperation during audits. (c) Financial Institutions Transparent financial reporting and risk management discussions to support responsible financing and long-term growth. (d) Guests and Customers Continuous feedback channels to improve service excellence, enhance guest experience, and embed sustainable practices in hospitality services. (e) Employees Engagement through training, appraisals, safety awareness and whistleblowing briefings, reinforcing alignment with the Group's sustainability goals. (f) Suppliers Ethical procurement practices and transparent vendor management to promote supply chain resilience and compliance. (g) Local Communities Corporate social responsibility initiatives and partnerships to contribute to community development and well-being.

	<p>To further integrate sustainability into its operations, the Group conducted its first materiality assessment in FYE 2026. This process involved four phases:</p> <ul style="list-style-type: none"> (i) stakeholder identification, (ii) material issue identification, (iii) prioritisation through materiality matrix mapping, and (iv) validation. <p>A total of 13 material matters were identified, with the highest-priority matters being Economic Performance, Customer Experience and Satisfaction, Hospitality Service Excellence, Corporate Governance and Anti-Corruption, Data Privacy and Security, and Health and Safety. These matters guide the Group's sustainability strategies and resource allocation.</p> <p>To strengthen accountability and track progress, the Group introduced Sustainability Key Performance Indicators ("KPIs") in FYE 2026. These KPIs enable structured evaluation and continuous monitoring of sustainability performance against defined targets.</p> <p>Through these measures, the Group ensures that its sustainability commitments and performance are communicated transparently to stakeholders, supporting long-term value creation and reinforcing the Group's dedication to ethical governance, environmental stewardship, and social responsibility.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>During the financial year ended 30 June 2026 ("FYE 2026"), the Directors undertook sustainability-related training to strengthen their understanding of issues relevant to the Group. Ms. Yong Hui Nee attended "Connecting Financial and Sustainability Reporting: Essentials for Professional Accountants" on 22 July 2025. Datuk Leong Kam Weng attended "Beyond Compliance: Leading with AI and Sustainability" on 30 October 2025, while Ms. Freda Liu Phit Jang attended the "Implementation of IFRS S1 & S2 – Board Awareness Session" on 7 April 2026.</p> <p>The Board also received updates through the Risk Management Committee and Audit Committee on the Group's material sustainability-related risks and opportunities, its sustainability strategies and priorities, and its readiness for reporting under the National Sustainability Reporting Framework and IFRS S1 and IFRS S2. The matters considered included the verification of greenhouse gas emissions data and the inclusion of ESG criteria in supplier assessments. This enabled the Board to consider sustainability matters as part of its oversight of the Group's strategy, risk management and reporting.</p> <p>The FYE 2026 performance evaluation identified sustainability-related training and oversight as areas for further enhancement. The Risk Management Committee's assessment also identified a need for additional training for the Board, Management and key personnel in sustainability and risk management. The Company will continue to identify relevant training opportunities to support the Directors in discharging their responsibilities.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>In FYE 2026, the Company conducted its annual evaluation of the Board, Board Committees and individual Directors, which included an assessment of the Board's effectiveness in addressing sustainability-related matters. The results confirmed that the Board is strong in governance fundamentals, including ethical oversight, committee effectiveness and the quality of meeting discussions.</p> <p>At the same time, several areas for improvement were identified:-</p> <p>(a) Succession Planning The evaluation highlighted the need for a more structured and proactive approach to leadership continuity for both Directors and Senior Management.</p> <p>(b) Sustainability Competencies Director training on sustainability and integration of sustainability into Board oversight were identified as areas requiring enhanced focus.</p> <p>(c) Risk Tracking and Board Composition Tracking and assessment of sustainability-related risks and opportunities, as well as the ongoing review of Board composition to ensure alignment with strategic needs, were noted as areas for further attention.</p> <p>To reinforce accountability, the Company has established annual Sustainability KPIs aimed at reducing emissions and waste generation. These KPIs enable regular performance monitoring of Senior Management and drive continuous improvement in the management of climate-related risks and opportunities.</p> <p>The evaluation findings are used to inform targeted improvement actions, including strengthening succession planning, enhancing sustainability-related training for Directors, and aligning Board composition with long-term strategic priorities. This structured approach ensures that both the Board and Senior Management are assessed not only on governance fundamentals but also on their effectiveness in embedding sustainability into the Group's strategy.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Not Adopted
Explanation on adoption of the practice	:	The Board currently does not designate a specific individual to solely focus on managing the sustainability strategy. However, to enhance the Group's sustainability management, the Board has bestowed the responsibility of overseeing sustainability matters to the Management units, led by the Managing Director. This delegation of authority reflects the Board's commitment to promoting sustainability practices throughout the Group.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>For FYE 2026, the NC carried out its responsibilities in accordance with its TOR by reviewing the tenure, performance and contribution of all Directors, particularly those subject to retirement by rotation pursuant to Clause 84 of the Company's Constitution.</p> <p>In this respect, the NC undertook a structured evaluation of the Directors due for re-election at the forthcoming 43rd AGM, namely Ms. Freda Liu Phit Jang and Ms. Yong Hui Nee (the "Retiring Directors"). The evaluation process included consideration of the following factors:</p> <ul style="list-style-type: none"> (a) Fit and proper assessment in line with the Company's Fit and Proper Policy; (b) Performance and contribution to the Board, including the quality of their input to Board deliberations and decision-making; (c) Knowledge, skills and experience relevant to the Board's effectiveness; (d) Commitment of time and diligence in discharging their fiduciary duties; and (e) Disclosure of interests and any actual or potential COI in accordance with the Company's COI Policy. <p>The NC also reviewed the results of the annual individual Director performance evaluation, the Retiring Directors' fit and proper declarations and their written consent to seek re-election.</p> <p>Based on its review, the NC considered that both Retiring Directors remained fit and proper and had made satisfactory contributions to the Board. Accordingly, the NC recommended their re-election to the Board for further recommendation to the shareholders at the forthcoming 43rd AGM.</p> <p>The NC remains committed to periodically refreshing the composition of the Board, taking into account the tenure, skills mix, independence and diversity required to support the Company's long-term strategy and governance effectiveness.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied
Explanation on application of the practice	:	<p>As at 30 June 2026, the Board comprised five (5) members, including Independent Non-Executive Chairman, two (2) Independent Non-Executive Directors (“INEDs”), a Managing Director and an Executive Director.</p> <p>Accordingly, three (3) out of five (5) Directors, or 60% of the Board, are INEDs, including the Chairman. This ensures that the Board composition complies with Practice 5.2 of MCCG, with more than half of the Board being independent.</p> <p>The presence of a majority of Independent Directors and an Independent Chairman promotes independent judgment and objectivity in Board deliberations. It also provides effective check and balance, ensuring that no single individual or group dominates the decision-making process.</p> <p>The Board is satisfied that its current composition supports sound governance safeguards the interests of all shareholders, and enables the Company to make decisions objectively in the best interests of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company acknowledges the importance of best practices in corporate governance, including the recommendation under Practice 5.3 of the MCCG on limiting the tenure of INEDs. The Board is committed to upholding the principles of independence, accountability and objectivity in its deliberations.</p> <p>In line with this, the NC has undertaken an annual assessment of the independence and performance of the INEDs. The NC noted that none of the Independent Directors of the Company have served beyond a cumulative term of nine (9) years as at 30 June 2026.</p> <p>The Board remains mindful of the MCCG guidance and the provisions under the MMLR, which allow an INED to serve for a tenure of up to twelve (12) years. Should any INED exceed the twelve-year threshold, the Director may continue to serve on the Board as a Non-Independent Director, in compliance with the MMLR.</p> <p>Although the Company has not retained any INED beyond nine (9) years during FYE 2026, the Board has deliberated on the matter and acknowledges that it may, where necessary, consider the retention of an INED beyond the recommended term. In such circumstances, the following safeguards will apply:</p> <ul style="list-style-type: none"> (a) Justification and transparency The rationale for retention will be clearly communicated to shareholders. (b) Experience and institutional knowledge Certain INEDs may possess deep insights into the Company's industry, operations and long-term strategy, which remain invaluable to the Board. (c) Diversity of perspectives Retaining seasoned INEDs can enrich Board discussions by contributing diverse views based on experience and expertise. <p>For FYE 2026, the Board has fully complied with the MMLR requirements on director tenure and confirms that the independence and objectivity of its INEDs are not compromised.</p>

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:	<p>The Board will take the following measures to ensure objective Board decisions:-</p> <p>(a) Implement a two-tier voting process at the general meetings should the Board decide to retain any INED beyond nine years, ensuring shareholder opinions are actively considered and integrated; and</p> <p>(b) Conduct regular performance reviews for any INED who exceeds the nine-year limit. This review process will assess their contributions, independence, and alignment with the Company's strategic objectives.</p>
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	<p>The Company has not adopted a policy which limits the tenure of its independent directors to nine years without further extension.</p> <p>The Board will take the following measures to ensure objective Board decisions:-</p> <ul style="list-style-type: none">(a) Implement a two-tier voting process at the general meetings should the Board decide to retain any INED beyond nine years, ensuring shareholder opinions are actively considered and integrated; and(b) Conduct regular performance reviews for any INED who exceeds the nine-year limit. This review process will assess their contributions, independence, and alignment with the Company's strategic objectives.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied																														
Explanation on application of the practice	:	<p>The Board acknowledges the advantages of maintaining a diverse Board comprising individuals with a wide range of skills, knowledge, cultural backgrounds, gender, and experience. Such diversity enriches deliberations, enhances decision-making, and contributes positively to the sustainable growth and long-term success of the Group.</p> <p>In FYE 2026, the Board continued to apply the Directors' Fit and Proper Policy to guide the NC in evaluating appointments and re-elections of Directors. Appointments of Directors and Senior Management are based on the fit and proper criteria set by the NC, which include integrity, competence, character, commitment, and relevant experience. Both the NC and the Board remain committed to the Group's formal and transparent selection and appointment process, which ensures candidates are thoroughly evaluated based on diverse backgrounds and professional capabilities aligned with the Company's strategic direction.</p> <p>The NC continues to take the lead in the nomination process for new appointments by evaluating candidates against specific criteria such as core competency, character, time commitment, experience, and the ability to contribute effectively to Board deliberations. This approach ensures that the Board has the appropriate balance of skills, expertise, and perspectives, including gender diversity. The appointment and re-election of Directors, as well as the consideration of Board diversity, are carried out in accordance with the Board Charter, the NC TOR, and the Directors' Fit and Proper Policy, all of which are published on the Company's website at https://www.exsimhospitality.com/investor-relations/corporate-governance.</p> <p><u>Board Diversity 2026</u></p> <p>As at 30 June 2026, the Board comprised the following members:</p> <table><tr><th>No</th><th>Name</th><th>Date of appointment/ (resignation)</th><th>Gender</th><th>Age</th></tr><tr><td>1</td><td>Datuk Leong Kam Weng</td><td>26 May 2023</td><td>Male</td><td>62</td></tr><tr><td>2</td><td>Tan Hai Liang</td><td>29 April 2024</td><td>Male</td><td>40</td></tr><tr><td>3</td><td>Paramjit Singh Gill A/L Gurdev Singh</td><td>27 May 2024</td><td>Male</td><td>40</td></tr><tr><td>4</td><td>Yong Hui Nee</td><td>25 June 2024</td><td>Female</td><td>47</td></tr><tr><td>5</td><td>Freda Liu Phit Jang</td><td>25 June 2024</td><td>Female</td><td>56</td></tr></table>	No	Name	Date of appointment/ (resignation)	Gender	Age	1	Datuk Leong Kam Weng	26 May 2023	Male	62	2	Tan Hai Liang	29 April 2024	Male	40	3	Paramjit Singh Gill A/L Gurdev Singh	27 May 2024	Male	40	4	Yong Hui Nee	25 June 2024	Female	47	5	Freda Liu Phit Jang	25 June 2024	Female	56
No	Name	Date of appointment/ (resignation)	Gender	Age																												
1	Datuk Leong Kam Weng	26 May 2023	Male	62																												
2	Tan Hai Liang	29 April 2024	Male	40																												
3	Paramjit Singh Gill A/L Gurdev Singh	27 May 2024	Male	40																												
4	Yong Hui Nee	25 June 2024	Female	47																												
5	Freda Liu Phit Jang	25 June 2024	Female	56																												

	<p>The current Board composition demonstrates a balance of gender diversity, with 40% female representation, and reflects a mix of professional backgrounds, ages, and experience relevant to the Group's business. The Independent Non-Executive Directors also comprise a majority, ensuring objectivity in Board deliberations.</p> <p>Further details on the diversity of the Board and Key Senior Management, including age, gender, ethnicity and nationality, are provided in the Sustainability Statement of this Annual Report, which also outlines the Group's workforce composition.</p> <p>In addition, during FYE 2026, the NC reviewed the time commitment of all Directors and concluded that each Director had devoted sufficient time to discharge their roles effectively, with all Directors attending more than 50% of Board meetings in compliance with MMLR.</p>	
Explanation for departure	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is responsible for the screening and recruitment process of new Directors. In discharging its duties, the NC undertakes a formal and transparent evaluation process to ensure the suitability and qualification of potential candidates prior to recommending them to the Board for appointment.</p> <p>The NC's evaluation process considers, among others, the following factors:</p> <ul style="list-style-type: none"> (a) Balance of skills, functional knowledge and expertise; (b) Relevant experience and industry insight; (c) Character, integrity and independence of judgment; (d) Time commitment and ability to contribute effectively to Board deliberations; and (e) Fit and Proper criteria in accordance with the Company's Fit and Proper Policy, which sets out expectations on probity, competence, diligence, honesty, financial integrity and sound reputation; and (f) COI considerations, requiring candidates to declare any direct or indirect interest with the Company or its major shareholders, and to comply with the Company's COI policy, including abstention from deliberations or decision-making where a conflict exists or may reasonably be perceived to exist. <p>In identifying potential candidates to fill any Board vacancy, the NC and the Board will utilise independent sources, in addition to referrals from existing Directors, Management and/or substantial shareholders, to ensure that a wide pool of suitably qualified candidates is considered. Where recommendations are made through internal sources only, the NC will provide justification as to why such sources are appropriate and why independent sources were not used.</p> <p>For the financial year ended 30 June 2026, there were no new appointments of Directors. Nonetheless, the NC remains guided by its commitment to a transparent, objective and merit-based approach in sourcing, evaluating and recommending candidates for future Board appointments.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>In accordance with Clause 84 of the Company's Constitution, the following Directors are due for retirement by rotation at the forthcoming 43rd AGM and, being eligible, have offered themselves for re-election:</p> <p>(a) Ms. Yong Hui Nee</p> <p>(b) Ms. Freda Liu Phit Jang</p> <p>The NC assessed the performance and suitability of the retiring Directors through the Fit and Proper assessment framework, which covers criteria such as integrity, competence, character, time commitment, independence of judgment, and potential conflicts of interest. Based on the evaluation, the NC and the Board are satisfied that the retiring Directors have demonstrated the necessary skills, commitment and effectiveness in discharging their fiduciary duties and contributing to Board deliberations.</p> <p>The profiles of the retiring Directors, including details of their age, gender, tenure of service, directorships in other companies, qualifications and working experience, are set out in the Profile of Board of Directors section of this Annual Report 2026.</p> <p>A formal statement by the Board in support of the re-election of the retiring Directors is also provided in the Statement Accompanying the Notice of AGM in this Annual Report 2026 for shareholders' consideration.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is chaired by Ms. Freda Liu Phit Jang, an INED. The profile of Ms. Freda Liu Phit Jang is disclosed in the Directors' Profile section of this Annual Report 2026.</p> <p>As at 30 June 2026, the NC is composed exclusively of INEDs, thereby reinforcing the Board's commitment to strong corporate governance practices and ensuring independence and objectivity in the nomination process.</p> <p>The NC Chairperson leads the Committee in carrying out its responsibilities, which include:</p> <ul style="list-style-type: none"> (i) Overseeing succession planning and the appointment of Board members; (ii) Reviewing the composition of the Board and Board Committees to ensure alignment with strategic needs; (iii) Conducting the annual review of the effectiveness of the Board as a whole, its committees and individual Directors; (iv) Reviewing and assessing the independence of Independent Directors; (v) Reviewing and recommending the re-election of retiring Directors; and (vi) Reviewing and monitoring the training and professional development of all Directors. <p>The Board is satisfied that the NC, under the leadership of its INED Chairperson, has discharged its duties effectively during the financial year under review.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied																	
Explanation on application of the practice	:	In line with Paragraph 15.02 of the MMLR, which stipulates that the Board shall comprise at least one (1) woman Director, the Company has exceeded this minimum requirement. The appointments of Ms. Yong Hui Nee and Ms. Freda Liu Phit Jang as INEDs on 25 June 2024 have significantly enhanced the Board's diversity profile, resulting in 40% female representation on the Board as at 30 June 2026. This achievement underscores the Board's commitment to promoting equitable participation and aligning with stakeholders' expectations of progressive corporate governance practices.																	
		The composition of the NC as at 30 June 2026 is as follows:																	
		<table><tr><th>Name</th><th>Date of appointment</th><th>Responsibility</th><th>Position</th></tr><tr><td>Freda Liu Phit Jang</td><td>25 June 2024</td><td>Chairperson</td><td>INED</td></tr><tr><td>Datuk Leong Kam Weng</td><td>26 May 2023</td><td>Member</td><td>INED</td></tr><tr><td>Yong Hui Nee</td><td>25 June 2024</td><td>Member</td><td>INED</td></tr></table>		Name	Date of appointment	Responsibility	Position	Freda Liu Phit Jang	25 June 2024	Chairperson	INED	Datuk Leong Kam Weng	26 May 2023	Member	INED	Yong Hui Nee	25 June 2024	Member	INED
	Name	Date of appointment	Responsibility	Position															
Freda Liu Phit Jang	25 June 2024	Chairperson	INED																
Datuk Leong Kam Weng	26 May 2023	Member	INED																
Yong Hui Nee	25 June 2024	Member	INED																
	The Board recognises the benefits of gender diversity in decision-making and in contributing to the Group's long-term sustainability. In addition, the Board is cognisant that diversity and inclusivity should not be confined to the Board level. Accordingly, efforts are being undertaken to broaden the participation of women at the Senior Management level, consistent with the Company's succession planning framework.																		
	Further details on the Group's workforce profile, including analysis by gender, age, ethnicity, nationality, and employee structure, are disclosed in the Sustainability Statement of the Annual Report 2026. The Board will continue to review women's participation across different organisational levels to ensure balanced representation that supports the Group's growth and sustainability objectives.																		
Explanation for departure	:																		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.																			
Measure	:																		
Timeframe	:																		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board currently does not have a formal gender, age and ethnic policies and targets for the Board and Senior Management. The Board recognises the benefits from gender diversity in its effort to contribute to the Group's sustainability development.</p> <p>As of 30 June 2026, the current Board has achieved 40% representation of women Directors, exceeding the recommended minimum of 30% female Directors as advocated under the MCCG. The Company also demonstrates its support for gender diversity by having two (2) women holding key senior management position, representing 66.67% of the total.</p> <p>Nonetheless, gender is not considered a prerequisite for directorships or managerial positions within the Company or the Group. Instead, appointments are made based on objective criteria and merit to ensure the selection of the most qualified candidates, regardless of gender.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board is actively engaged in measures to foster an environment that acknowledges the value of diversity. By focusing on merit-based appointments, regular assessments of composition, stakeholder engagement, and commitment to governance principles, the Board aims to ensure that decisions are made objectively and in the best interests of the Company, facilitating responsible growth and sustainable success.
Timeframe	:	

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company provides specifically in its Board Charter that the Board, through the NC, will review and evaluate the effectiveness and performance of the Board as a whole, the Board Committees, and the contribution of each Director on an ongoing basis.</p> <p>During FYE 2026, the NC convened two (2) meetings. The NC conducted the annual assessment of the Board, the Board Committees and each Director for FYE 2026. The assessment was carried out through questionnaires covering, among other matters, the effectiveness of the Board and its Committees, the contribution of each Director and the independence of the Independent Directors. The NC also undertook an annual evaluation of each Director based on the criteria set out in the Directors' Fit and Proper Policy.</p> <p>Based on the results of the assessment, the NC was satisfied with the overall effectiveness of the Board and its Committees and the contribution of each Director. The assessment also indicated that the Independent Directors continued to demonstrate independence in discharging their duties and responsibilities.</p> <p>Based on the outcome of the assessments conducted for FYE 2026, the Board is satisfied that:</p> <ul style="list-style-type: none"> (a) Given the scope, size and complexity of the Group's operations, the current composition of the Board and Board Committees is well-balanced. The Board comprises members with diverse professional backgrounds and qualifications, as well as sufficient number of INEDs to ensure impartiality and provide constructive challenge to executive decisions. (b) The Board Committees continue to operate within their clearly defined TOR, with their respective Chairpersons demonstrating the ability to facilitate effective discussions, ensure compliance and maintain accountability. (c) All INEDs remain independent from the Management and are free from any business relationship that could materially compromise their independent judgement in the Board discussion or decision making. (d) The Board's strengths include its diverse industry backgrounds, alignment of skills with the Company's objectives in construction, infrastructure, governance and sustainable growth, as well as the

	<p>commitment, integrity and leadership of its Directors. The experience of INEDs who also serve on other listed companies was recognised as an added strength, enhancing the depth and quality of Board deliberations.</p> <p>(e) The assessment also identified areas for further improvement, including succession planning for Directors and Key Senior Management, aligning the Board's composition with the Group's current and future strategic needs, and strengthening the Board's knowledge of sustainability and artificial intelligence. Further development was also identified in the integration of sustainability considerations into the Group's activities and in the assessment of sustainability-related risks and opportunities.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board, through the RC, has established a formal Remuneration Policy which sets out the guiding principles and procedures for determining the remuneration of Directors and senior management. The Policy ensures that remuneration packages are competitive, performance-oriented and commensurate with the responsibilities and complexities of the roles undertaken.</p> <p>The Remuneration Policy clearly differentiates between the remuneration structure of Executive Directors, Non-Executive Directors and senior management, reflecting their distinct roles, responsibilities and accountability. Non-Executive Directors receive fixed fees and meeting allowances, while Executive Directors and senior management remuneration comprises a mix of fixed salary, benefits and performance-linked incentives.</p> <p>To ensure relevance and effectiveness, the RC reviews the Remuneration Policy periodically or as and when necessary, taking into account evolving business needs, corporate governance expectations and regulatory developments.</p> <p>The Remuneration Policy has been published and is made available on the Company's website at https://www.exsimhospitality.com/investor-relations/corporate-governance for transparency and reference by stakeholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied												
Explanation on application of the practice	:	<p>The RC comprises solely of INEDs, as follows:</p> <table border="1"> <thead> <tr> <th>Designation</th><th>Director</th><th>Directorship</th></tr> </thead> <tbody> <tr> <td>Chairman</td><td>Datuk Leong Kam Weng</td><td>INED</td></tr> <tr> <td>Member</td><td>Yong Hui Nee</td><td>INED</td></tr> <tr> <td>Member</td><td>Freda Liu Phit Jang</td><td>INED</td></tr> </tbody> </table> <p>The duties and responsibilities of the RC as stated in its TOR, amongst others, are as follows:</p> <p>(a) To establish and implement a fair and transparent remuneration policy and procedure, including the fee structure and level of remuneration for Directors and Senior Management, taking into account the demands, complexities and performance of the Company in managing material sustainability risks and opportunities as well as skills and experience required, ensuring it is aligned with the business strategy and long-term objectives of the Company;</p> <p>(b) To review and recommend to the Board on the remuneration packages of the Directors and Senior Management, by taking into account the level of expertise, commitment and responsibilities undertaken, with reference to the Company's remuneration policy and procedure; and</p> <p>(c) To ensure the fee and other benefits for the INEDs do not conflict with their obligation to bring objectivity and independent judgment on matters discussed at Board meetings.</p> <p>The TOR of the RC is available on the Company's website at https://www.exsimhospitality.com/investor-relations/corporate-governance</p>	Designation	Director	Directorship	Chairman	Datuk Leong Kam Weng	INED	Member	Yong Hui Nee	INED	Member	Freda Liu Phit Jang	INED
Designation	Director	Directorship												
Chairman	Datuk Leong Kam Weng	INED												
Member	Yong Hui Nee	INED												
Member	Freda Liu Phit Jang	INED												
Explanation for departure	:													
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>														
Measure	:													
Timeframe	:													

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	The details of the Directors' remuneration for the FYE 2026, on named basis, with remuneration breakdown is shown in the table below.

No	Name	Directorate	Company (RM'000)							Group (RM'000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Datuk Leong Kam Weng (Independent Non-Executive Chairman)	Independent Director	58	22	-	-	-	-	80	58	22	-	-	-	-	80
2	Tan Hai Liang (Managing Director)	Executive Director	-	160	12	-	-	-	172	-	160	12	-	-	-	172
3	Paramjit Singh Gill A/L Gurdev Singh	Executive Director	-	160	12	-	-	-	172	-	160	12	-	-	-	172
4	Yong Hui Nee	Independent Director	51.5	23	-	-	-	-	74.5	51.5	23	-	-	-	-	74.5
5	Freda Liu Phit Jang	Independent Director	45	22	-	-	-	-	67	45	22	-	-	-	-	67

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure											
Explanation on application of the practice	:												
Explanation for departure	:	<p>Due to the confidentiality and sensitivity of remuneration details, the Board is of the view that disclosure of senior management remuneration on a named basis would not be in the best interest of the Company. Such disclosure could potentially pose competitive risks in terms of recruitment and retention of talent.</p> <p>Accordingly, in line with best corporate governance practices, the Board has opted to disclose the remuneration of the top five (5) senior management (excluding Directors of the Company) on an unnamed basis and within RM50,000 bands for the FYE 2026, as follows:</p> <table border="1"> <thead> <tr> <th>Range of Remuneration</th> <th>Number of Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM100,000 to RM150,000</td> <td>1</td> </tr> <tr> <td>RM150,001 to RM200,000</td> <td>-</td> </tr> <tr> <td>RM200,000 to RM250,000</td> <td>1</td> </tr> <tr> <td>RM250,000 to RM300,000</td> <td>1</td> </tr> </tbody> </table>		Range of Remuneration	Number of Senior Management	RM100,000 to RM150,000	1	RM150,001 to RM200,000	-	RM200,000 to RM250,000	1	RM250,000 to RM300,000	1
Range of Remuneration	Number of Senior Management												
RM100,000 to RM150,000	1												
RM150,001 to RM200,000	-												
RM200,000 to RM250,000	1												
RM250,000 to RM300,000	1												
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>													
Measure	:												
Timeframe	:												

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	In order to maintain confidentiality, the detailed remuneration of each member of Senior Management will not be disclosed on a named basis.

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.

The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>During FYE 2026, the AC was chaired by Ms. Yong Hui Nee, an Independent Non-Executive Director, while the Board was chaired by Datuk Leong Kam Weng. Hence, the Chairman of the Board was not the Chairman of the AC.</p> <p>The AC comprised of only INEDs (Chair: Ms. Yong Hui Nee; Members: Datuk Leong Kam Weng and Ms. Freda Liu Phit Jang).</p> <p>The AC Chairperson set the agenda, presided over AC meetings and held private sessions with the External Auditors without the presence of the Management.</p> <p>Where a conflict could arise, the Chairman of the Board shall abstain from deliberations. This measure ensures the AC's independence and enabled the Board to objectively consider the AC's findings and recommendations.</p> <p>The duties and responsibilities of the Chairperson of the AC are outlined in the AC's TOR, which is also available on the Company's website at https://www.exsimhospitality.com/investor-relations/corporate-governance.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied
Explanation on application of the practice	:	<p>To uphold the highest standards of financial integrity and corporate governance, the TOR of the AC stipulate that any former key audit partner of the Company's external audit firm may only be appointed as a member of the AC after observing a minimum cooling-off period of three (3) years. This requirement is intended to safeguard the independence, impartiality and objectivity of the AC in discharging its responsibilities.</p> <p>The TOR of the AC is accessible on the Company's website at https://www.exsimhospitality.com/investor-relations/corporate-governance.</p> <p>As at the date of this Report, none of the AC members are former key audit partners of the Company's external audit firm, and the Board does not anticipate any such appointment in the foreseeable future.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The AC continues to be entrusted with the responsibility of reviewing both audit and non-audit services provided by the External Auditor. The AC is empowered by the Board to have direct and unrestricted communication with the External Auditor without the presence of Executive Directors and Management, whenever deemed necessary, to seek professional advice and discuss audit findings as well as any other related matters.</p> <p>On an annual basis, the AC reviews the terms of engagement for services rendered by the External Auditor prior to seeking the Board's approval. The AC also conducts an annual assessment on the suitability, objectivity, independence, effectiveness and performance of the External Auditor.</p> <p>During FYE 2026, the External Auditor reaffirmed its independence through its Audit Planning Memorandum and Audit Review Memorandum presented to the AC. Based on the annual assessment conducted for the year, the AC was satisfied that the External Auditor had demonstrated the necessary competence, independence, objectivity, adequacy of resources and professional capabilities in carrying out its duties.</p> <p>Accordingly, the AC recommended to the Board the re-appointment of Messrs. Crowe Malaysia PLT as the Company's External Auditor for the ensuing year, subject to shareholders' approval at the forthcoming 43rd AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted														
Explanation on adoption of the practice	:	Currently, the AC comprises solely of INEDs as follows:														
		<table><tr><th>Designation</th><th>Name</th><th>Directorship</th></tr><tr><td>Chairperson</td><td>Yong Hui Nee</td><td>INED</td></tr><tr><td>Member</td><td>Datuk Leong Kam Weng</td><td>INED</td></tr><tr><td>Member</td><td>Freda Liu Phit Jang</td><td>INED</td></tr></table>			Designation	Name	Directorship	Chairperson	Yong Hui Nee	INED	Member	Datuk Leong Kam Weng	INED	Member	Freda Liu Phit Jang	INED
Designation	Name	Directorship														
Chairperson	Yong Hui Nee	INED														
Member	Datuk Leong Kam Weng	INED														
Member	Freda Liu Phit Jang	INED														

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>During FYE 2026, all members of the AC remained financially literate and demonstrated the ability to understand, analyse and evaluate matters within the scope of the AC, including the financial reporting process.</p> <p>As at 30 June 2026, the AC comprises three (3) members, all of whom bring diverse professional expertise to the Committee. The AC is chaired by Ms. Yong Hui Nee, an INED, who is a member of the Malaysian Institute of Certified Public Accountants ("MICPA") and the Malaysian Institute of Accountants ("MIA"). The other members of the AC are Ms. Freda Liu Phit Jang, an INED, and Datuk Leong Kam Weng, an INED and Chairman of the Board, who is a Fellow of CPA Australia as well as a Chartered Accountant of the MIA.</p> <p>The qualifications and professional experience of the AC members are detailed in the Directors' Profile section of this Annual Report.</p> <p>Two-thirds of the AC members are members of professional accounting bodies, while the remaining member is financially literate through continuous professional development, trainings and regular updates on accounting and auditing standards, practices, and rules provided by the Management and the External Auditors.</p> <p>The Board is satisfied that the composition of the AC during FYE 2026 collectively possesses the necessary financial expertise, skills, and experience to discharge their responsibilities effectively in ensuring reliable financial reporting and sound internal controls.</p> <p>The training programmes attended by the AC members during FYE 2026 are disclosed in the Corporate Governance Overview Statement in the Annual Report 2026.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges its overall responsibility for maintaining a sound risk management and internal control framework to safeguard shareholders' investments and the Group's assets. The framework is designed to manage, rather than eliminate, risks in pursuit of the Group's business objectives, and provides reasonable, but not absolute, assurance against material misstatement, loss or fraud.</p> <p>The Board has established an ongoing risk management process for identifying, assessing, and managing the Group's principal risks. Oversight of this process is carried out through the AC and the RMC, both of which support the Board in fulfilling its responsibilities. The Board reviews significant risks and internal control issues on a half-yearly basis, and directs appropriate actions where necessary.</p> <p>The AC, assisted by the RMC and the outsourced Internal Auditors, evaluates the effectiveness of the governance, risk management and internal control framework. The RMC, comprising the Executive Directors and Group Accountant, engages with risk owners on a half-yearly basis and reports its findings to the AC. This structured governance process enables risks to be identified at the operational level, consolidated, and escalated for Group-level oversight.</p> <p>Risks are captured in a Risk Register, supported by mitigating measures, risk ratings and, where applicable, Key Risk Indicators ("KRIs"). Material risks are reported to Management and subsequently presented to the Board via the AC. High and emerging risks are flagged immediately for consideration and response.</p> <p>For FYE 2026, details of the Group's significant risk exposures are disclosed in the Statement on Risk Management and Internal Control in this Annual Report.</p> <p>Based on the review undertaken and reports received from the AC, RMC and Internal Auditors, the Board is satisfied that the risk management and internal control framework of the Group remained effective and adequate during the financial year under review, providing reasonable assurance that foreseeable risks are mitigated and managed in support of the Group's business objectives.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges its responsibility for establishing and maintaining a sound system of risk management and internal control, and for reviewing its adequacy and integrity. The framework covers financial, operational and compliance or legal risks, and is designed to manage, rather than eliminate, risks in pursuit of the Group's objectives. While the framework provides reasonable assurance, it cannot provide absolute assurance against the risk of material misstatement, loss or fraud.</p> <p>The Group has established an ongoing risk management process for identifying, measuring, evaluating and managing principal risks that may significantly impact the Group. This process is supported by a governance structure comprising the Board, AC, and RMC. The AC, with the assistance of the RMC and outsourced Internal Auditors, reviews significant risks and internal control issues on a half-yearly basis, while the RMC engages with risk owners to review and escalate risks for Group-level oversight.</p> <p>Risks are monitored through a Risk Register that records risk profiles, mitigating measures and risk ratings, with KRIs established where appropriate. High and emerging risks are immediately flagged for consideration by the AC and the Board. This process ensures risks are assessed at the operational level, consolidated, and escalated for review at the highest governance level.</p> <p>For FYE 2026, the Group's significant risk exposures, together with the mitigating measures, are detailed in the Statement on Risk Management and Internal Control in this Annual Report.</p> <p>Based on the review undertaken and reports received from the AC, RMC and Internal Auditors, the Board is satisfied that the Group's risk management and internal control framework remained adequate and effective during the financial year, providing reasonable assurance that foreseeable risks are mitigated and managed in support of the Group's business objectives.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Not Adopted												
Explanation on adoption of the practice	:	<p>During FYE 2026, the composition of the RMC is as follows:</p> <table border="1"> <thead> <tr> <th>Designation</th><th>Name</th><th>Directorship</th></tr> </thead> <tbody> <tr> <td>Chairman</td><td>Paramjit Singh Gill A/L Gurdev Singh</td><td>Executive Director</td></tr> <tr> <td>Member</td><td>Tan Hai Liang</td><td>Managing Director</td></tr> <tr> <td>Member</td><td>Tan Yi Lang</td><td>Group Accountant</td></tr> </tbody> </table> <p>Given that the Executive Directors and Senior Management have more in-depth knowledge on the business and sustainability risks that the Group is exposed to, they are in a better position to evaluate such risks to be presented to our RMC for the same to oversee and recommend risk management strategies, policies, and risk tolerance levels.</p> <p>The Board recognise that while they adopt this departure practice, they will regularly assess the effectiveness of their governance practices to ensure that they serve the best interests of stakeholders and adapt to the changing environment.</p>	Designation	Name	Directorship	Chairman	Paramjit Singh Gill A/L Gurdev Singh	Executive Director	Member	Tan Hai Liang	Managing Director	Member	Tan Yi Lang	Group Accountant
Designation	Name	Directorship												
Chairman	Paramjit Singh Gill A/L Gurdev Singh	Executive Director												
Member	Tan Hai Liang	Managing Director												
Member	Tan Yi Lang	Group Accountant												

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied	
Explanation on application of the practice	:	<p>The AC ensures that the Group's internal audit ("IA") function is effective and operates independently. The IA function is outsourced to an independent professional firm, ensuring clear organisational independence from Management. The IA has unrestricted access to records, information, and personnel, and reports directly to the AC Chairman.</p> <p>The AC approves the annual plan, scope and fees, and reviews any matters that could impair independence. The IA adopts audit methodology aligned with the International Professional Practices Framework ("IPPF"), providing objective assurance and advisory services on governance, risk management, internal controls, anti-corruption and whistleblowing processes.</p> <p>During FYE 2026, the IA function tabled its FYE 2026 and FYE 2026 audit plan for AC approval and carried out audits covering human resources, payroll management, employee safeguard review and project management review. Significant findings and non-compliance matters were reported to the AC, discussed with Management, and corrective measures were validated. Periodic follow-up reports were submitted to the AC to track the status of remedial actions.</p> <p>Based on the work performed, the AC is satisfied that the IA function remained independent, effective and adequately resourced during the year, with no undue restrictions placed on its activities.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose—

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>During FYE 2026, the Group has outsourced its internal audit function to Eco Asia Governance Advisory Sdn Bhd (“Eco Asia”), an established external professional internal audit firm, which reports to the AC directly. Internal audit personnel from Eco Asia are free from any relationship or conflict of interest that could impair their objectivity and independence. They assist the AC in reviewing the effectiveness of the internal control systems within the Group whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives. Through internal audit review, remedial action has been taken against weaknesses identified in the systems and controls of the respective operating units. The outsourced of the internal audit function is independent and performed audit assignments with impartiality, proficiency and due professional care.</p> <p>For FYE 2026, the internal audit function was performed by a team of three (3) internal auditors from Eco Asia, led by Ms. Janeeta Salim, the firm’s Head of Internal Audit. Ms. Janeeta Salim is an Associate Member of the Institute of Internal Auditors (IIA) Malaysia and has vast experience and exposure in the internal audit field, particularly in governance, risk management, and internal control reviews.</p> <p>The internal audit function is conducted in accordance with the International Professional Practices Framework (“IPPF”) issued by The Institute of Internal Auditors, which provides globally recognised standards and guidance for the profession.</p> <p>Through this arrangement, the Board is satisfied that the internal audit function is adequately resourced, professionally competent, and operates with sufficient independence to provide reliable assurance on the Group’s governance, risk management, and internal control processes.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of transparency and accountability to shareholders, as well as the need to maintain regular and effective communication with shareholders, stakeholders, and investors on the Group's performance and significant developments. To achieve this, the Board has established multiple communication channels as follows:</p> <p>(a) Announcements to Bursa Malaysia Securities Berhad ("Bursa Securities") The Company makes timely announcements to Bursa Securities to disseminate material information, periodic financial results, and other significant updates. All such announcements are accessible via Bursa LINK and are concurrently uploaded onto the Company's corporate website to ensure wider accessibility.</p> <p>(b) General Meetings The AGMs and Extraordinary General Meetings serve as the principal forums for dialogue with shareholders. Shareholders are given opportunities to raise questions and seek clarifications on matters concerning the Group. All Directors, including the Chairpersons of the respective Board Committees, together with Senior Management, endeavour to attend the meetings to respond to queries. The External Auditors are also invited to the AGM to address matters relating to the audited financial statements and their audit opinion.</p> <p>(c) Corporate Website The Company's corporate website at www.exsimhospitality.com acts as a comprehensive platform for shareholders, investors, and the public to access up-to-date and historical information about the Group. Information published includes corporate structure, Board Charter, policies, financial statements, annual reports, press releases, and regulatory announcements. Contact details of the Joint Company Secretaries are made available on the website for investor relations matters.</p> <p>(d) Press Releases The Group issues press releases, where appropriate, to highlight significant corporate developments, strategic initiatives, and other matters of interest to shareholders, investors, and the general public. These press releases are also made available on the Company's corporate website.</p> <p>(e) Annual Report The Annual Report remains a key medium of communication with shareholders, providing a holistic overview of the Group's business</p>

	<p>performance, financial results, corporate governance practices, sustainability initiatives, and future prospects.</p> <p>(f) Share Registrar The Company's Share Registrar continues to be the contact point for shareholders on administrative matters, including shareholdings, dividend payments, and other related services.</p> <p>Through these initiatives, the Board ensures that all information disclosed is accurate, timely, relevant, and easily accessible to shareholders and stakeholders, in line with good corporate governance practices.</p>	
Explanation for departure	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:	The Company has not implemented integrated reporting due to a lack of internal resources needed to develop and implement the necessary reporting processes and tools. The Company recognises the value of integrated reporting, but has determined that they need to focus their current resources on other strategic priorities currently.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is committed to ensure that shareholders are given sufficient time to consider the resolutions to be tabled at general meetings. In line with the MCCG, the Notice of the Company's 42nd AGM held on 27 November 2025 was circulated to shareholders at least twenty-eight (28) days prior to the meeting. For the two (2) Extraordinary General Meetings (“EGMs”) held on 13 April 2026, the Company also provided notices at least fourteen (14) days prior to each meeting, in accordance with the requirements of the Companies Act 2016. The notices were accompanied by the relevant explanatory notes and information to facilitate informed participation and voting by shareholders.</p> <p>By ensuring that notices of general meetings are provided within the prescribed timeframes together with comprehensive explanatory notes and relevant information, the Company enables shareholders to effectively engage with the Board and Senior Management, raise queries, and make well-informed decisions on the resolutions proposed.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company's 42nd AGM and three (3) EGMs were attended by all Directors together with the Senior Management team of the Group. The Chairpersons of the Board Committees were present to address questions from shareholders on matters within their respective areas of responsibility. The Directors and Senior Management provided responses and clarifications to the questions raised.</p> <p>The Board ensures that all members, particularly the Chairperson of each Board Committee, endeavour to attend the AGM and EGMs to address any relevant questions and concerns raised by shareholders, and to provide meaningful and comprehensive responses. In addition, the External Auditors were invited to the AGM to present and respond to queries from shareholders relating to the conduct of audit and the preparation of the Group's financial statements.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>At the 42nd AGM and two (2) EGMs, resolutions requiring shareholders' approval were voted on by poll. Symphony Corporate Services Sdn. Bhd. acted as the Poll Administrator, while Propoll Solutions Sdn. Bhd. acted as the Independent Scrutineer to validate the poll results. Shareholders who were unable to attend in person were entitled to appoint up to two (2) proxies and could submit their proxy forms electronically through the Share Registrar's online portal.</p> <p>(a) Shareholders' participation at the 42nd AGM The 42nd AGM was held at the Ground Floor, Lobby 1, Crystal Plaza, No. 4, Jalan 51A/223, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia, where members and proxies were required to attend in person. The EGMs were also held at the same venue. Remote participation and voting facilities were not provided for these meetings.</p> <p>(b) Voting in absentia Shareholders who were unable to attend in person were entitled to appoint up to two (2) proxies to attend, participate, speak and vote on their behalf. Proxy forms could be submitted electronically through the Share Registrar's online portal. All resolutions requiring shareholders' approval at the 42nd AGM and the EGMs were voted on by poll.</p> <p>(c) Independent Scrutineer To uphold the integrity of the voting process, the Company appointed Propoll Solutions Sdn. Bhd. as the Independent Scrutineer to verify and confirm the results of the poll. The outcome of the meeting, including the poll voting results, was announced to Bursa Securities on the same day and published on both Bursa Securities' website and the Company's website.</p> <p>(d) Extraordinary General Meetings The Company convened one (1) EGM on 15 August 2025 and two (2) EGMs on 13 April 2026. Symphony Corporate Services Sdn. Bhd. acted as the Poll Administrator and Propoll Solutions Sdn. Bhd. as the Independent Scrutineer for these meetings. The poll results were announced to Bursa Securities on the same day and published on the Company's website</p> <p>While the Company facilitated voting in absentia through the appointment of proxies and electronic submission of proxy forms, it did</p>

	not provide facilities for shareholders to participate remotely in the general meetings.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	The Company will assess the feasibility of using appropriate technology to facilitate remote participation at future general meetings.
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.

Application	:	Applied
Explanation on application of the practice	:	<p>At the 42nd AGM held on 27 November 2025, the EGM held on 15 August 2025, and EGM I and EGM II held on 13 April 2026, shareholders were given opportunities to raise questions on the matters tabled, the Group's performance, strategic direction and other areas of interest.</p> <p>The Chairperson ensured that sufficient time was provided for shareholders to raise questions. The Board and Senior Management responded to the questions raised during the meetings, with the relevant questions directed to the External Auditors addressed by them (if any). This enabled shareholders to engage with the Board and Management and make informed decisions on the resolutions tabled.</p> <p>Through these measures, the Company has upheld the spirit of Practice 13.4 of the MCCG, fostering interactive two-way communication and enabling shareholders to make well-informed voting decisions.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Reasons on the choice of the meeting platform.			
Application	:	Not applicable – only physical general meetings were conducted in the financial year	
Explanation on application of the practice	:		
Explanation for departure	:	During FYE 2026, the Company's 42nd AGM and three (3) EGMs were held at physical venues and were not conducted as virtual or hybrid meetings. Accordingly, this practice was not applicable during the financial year under review.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	During FYE 2026, the Company held one (1) EGM on 15 August 2025, the 42nd AGM on 27 November 2025 and two (2) EGMs on 13 April 2026. Following each meeting, the Company published the signed minutes on its website within thirty (30) business days. The minutes of the 42nd AGM also included the questions submitted by shareholders and the corresponding responses provided by the Board and Management. These practices are in line with the best practices advocated under the MCCG, which encourages companies to publish AGM and EGM minutes on their websites to promote transparency and accountability.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

Click or tap here to enter text.