

Corporate Governance Overview Statement

The Malaysian Code of Corporate Governance defines corporate governance as “the process and structure used to direct and manage the business and affairs of the company towards promoting business prosperity and corporate accountability with the ultimate objective of realizing long-term shareholder value, whilst taking into account the interests of the other stakeholders.”

The Board of Directors remains committed to subscribe to the principles of good corporate governance that is central to the effective operation of the Company and to ensure the highest standards of accountability and transparency. The Board supports the Corporate Governance Framework and continues to improve existing practices and achieve the objectives of the Company.

The Board is pleased to set out below the manner in which the Group has applied the three main principles in the Malaysian Code on Corporate Governance (“MCCG”) during the financial period 31 January 2020. This statement is prepared in compliance with ACE Market Listing Requirement (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and it is to be read together with the Corporate Governance Report 2019 of the Company which is available on Inix Technologies Holdings Berhad (“INIX”)’s website at www.inix.com.my.

PRINCIPLE A — BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board’s principal focus is the overall strategic direction, development, and control of the Group. In support of this, the Board maps out and reviews the Group’s medium and long-term strategic plans on an annual basis, so as to align the Group’s business directions and goals with the prevailing economic and market conditions.

The Board has delegated specific responsibilities to various Board Committees namely the Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee and Share Issuance Scheme Committee whose functions are within their respective terms of reference approved by the Board. The said terms of reference are periodically reviewed by the Board, as and when necessary and the Board appoints the Chairman and members of each committees. These Committees assist the Board in making informed decisions through in-depth discussions on issues in discharge of the respective committees’ terms of reference and responsibilities. The terms of reference of the Board Committees are available at the Company’s website.

The Board of Directors adopted the Code of Conduct and Ethics for Company Directors and employees within the Group that published on the Company’s website at www.inix.com.my for stakeholders’ information. This Code of Conduct and Ethics provides good guidance for a standard of ethical behaviour for Directors based on trustworthiness and honest values that are acceptable and to uphold the spirit of responsibility including social responsibility in line with the legislation, regulations and guidelines for administrating a company.

The Board had adopted the Whistleblowing Policy that provides a channel to enable employees and other stakeholders to report any suspected breaches of law, regulations or any illegal acts observed in the Group but not limited to financial malpractice or fraud, non-compliance, criminal activity and corruption. The Whistleblowing Policy is reviewed annually and is available on the Company’s website. There were no reported incidents pertaining to whistleblowing during the financial year.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A — BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (cont'd)

The Group aims to ensure a balance of power and authority between the Chairman and Executive Directors with a clear division of responsibility between the running of the Board and the Company's business respectively. The Group also emphasizes and practices a division of responsibility between the Executive and Non-Executive Directors.

All Directors have the right to access to information within the Group and the individual Director or the Board as a whole has unrestricted access to all information pertaining to the Group's business and affair. This is to enable them to carry out their duties effectively and diligently. As and when necessary, the Board may obtain independent professional advice, in furtherance of their duties, at the expense of the Group.

Board Composition

The current Board consists of five (5) members, comprising two (2) Executive Directors and three (3) Independent Non-Executive Directors. The optimal size with mixture of high caliber individuals with extensive experiences from various professions from both private and public sectors.

The Board acknowledges the call by the Government and MCCG for boards to comprise at least 30% woman on board. The Board does not have specific policy on diversity policy and measures. However, the issue of diversity is discussed by the Nomination Committee. The Board will take steps towards formalizing such policy, targets and measures to reflect the Company's commitment towards gender diversity.

In connection with this policy, the Board have appointed additional one woman director to the Board during the financial year end, which represent 20% of the total number of board members.

In accordance to Board Charter, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years from the date of first appointment as Director. In the event the Board wishes to retain the independence status of an Independent Director who has served for more than nine (9) years, Board justification and shareholders' approval are required. Two tier voting process will be applied in the Annual General Meeting ("AGM") for retaining any Independent Director serving beyond twelve (12) years.

The Company currently does not have a policy to limit the tenure of its Independent Directors. Nevertheless, the Board has considered the independence of the Independent Directors whose tenure had exceeded nine (9) years, namely Dato Megat Fairouz Junaidi Bin Megat Junid ("Dato Megat"). Dato' Megat confirmed that he do not has personal interest or conflict of interest and has not entered or expected to enter into any transaction or contract with the Company or with the Group and do not assist the Company in any operational matters of the Group. In addition to that, Dato' Megat confirmed that he has his own business which are not same industry as the Group.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A — BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition (cont'd)

Based on the assessment, the Board generally satisfied with the level of independence demonstrated by Dato' Megat. In view thereof, the Company will seek shareholders' approval to retain Dato' Megat who had served as Independent Directors for more than twelve (12) years during the financial year 2020 had abstained from any deliberations or voting pertaining to his independence at the Board level. None of the Directors of the Company hold more than five (5) directorships of listed companies as provided under Rule 15.06 of the AMLR.

The Board meets on a quarterly basis with additional meetings being convened when necessary to address urgent matters. All the Directors have complied with the minimum attendance requirements as stipulated by the AMLR. The Board met seven (7) occasions during the financial period ended 31 January 2020 and the details of attendance at Board Meetings is set out below:-

| Name of Directors | Meeting attended |
|---|-------------------------|
| Dato' Megat Fairouz Junaidi Bin Megat Junid | 6/7 |
| Zhang Yang (Appointed on 17 January 2020) | N/A |
| Dato' Zhang Li (Retired on 31 December 2018 and Re-appointed on 15 February 2019) | 6/6 |
| Dr. Azman Bin Hussin (Vacated office on 24 June 2019) | 1/5 |
| Mohd Anuar Bin Mohd Hanadzlah (Suspension on 18 March 2020) | 7/7 |
| Lee Yueh Shien (Retired on 31 December 2018 and Re-appointed on 15 February 2019) | 6/6 |
| Edwin Silvester Das (Appointed on 15 February 2019) | 4/4 |
| Prof Datuk Dr Dominic Lau Hoe Chai (Retired on 31 December 2018) | 1/2 |
| Norizam Bin Tukiman (Appointed on 31 December 2018 and Resigned on 22 January 2019) | 1/1 |
| Dr. Wong Jeh Shyan (Appointed on 31 December 2018 and Resigned on 22 January 2019) | 1/1 |

All Directors are encouraged to participate in relevant training programmes for continuous professional development and to further enhance their skills and knowledge. The Directors are aware that they shall receive appropriate training which may be required from time to time to keep them abreast with the current developments in the industry as well as new statutory and regulatory developments including changes in accounting standards.

All Directors of the Company had attended the Mandatory Accreditation Programme prescribed by Bursa Securities for directors of public listed companies.

During the financial period ended 31 January 2020, besides from attending the briefings conducted by the Company Secretary pertaining to the updates on the Listing Requirements and Section 17A of the MACC Act, the External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standard that affect the Group's financial Statement.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A — BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Company Secretary

The Board is supported by a qualified secretary who is the license secretary of Companies Commission of Malaysia (“CCM”) and is qualified to act as Company Secretary under the Companies Act, 2016. As a practicing company secretary, she has also attended continuous professional development programmes as required by CCM.

The Company Secretary supports the Board in carrying out their fiduciary duties and stewardship role in shaping the standard of corporate governance of the Group. The Company Secretary also served as an advisory role to the Board, particularly with regards to the Company’s Articles of Association, Board’s policies and procedures and various compliance with regulatory requirement, codes, guidelines, legislation and the principles of corporate governance practices.

The Company Secretary circulated the relevant guidelines on statutory and regulatory requirements from time to time for the Board’s reference and brief the Board quarterly on these updates, where applicable at Board meetings. Throughout their period in office, the Directors are continually updated on the Group’s business and the regulatory requirements.

The Company Secretary also serves notice to the Directors and Principal Officers to notify them of closed periods for trading in the Company’s shares, in accordance with Rule 14 of the AMLR of Bursa Securities. Deliberations during the Board and Board Committees’ meetings were properly minuted and documented by the Company Secretary.

Nomination Committee

The Company’s Nomination Committee (“NC”) comprised three (3) Independent Non-Executive Directors. The members of the NC are as follows:-

1. Dato’ Megat Fairouz Junaidi Bin Megat Junid (Chairman)
2. Lee Yueh Shien (Appointed on 6 March 2019)
3. Edwin Silvester Das (Appointed on 6 March 2019)
4. Prof Datuk Dr Dominic Lau Hoe Chai (Retired on 31 December 2018)

The Board has been through the NC, assessed on an annual basis with the use of board matrix, questionnaires and other evaluation forms, the size, composition, mix of skills, experience, competencies of the existing Board, the individual Directors, the independence and tenure of the Independent Directors, and the effectiveness of the Board and the Board Committees, to identify gaps in the Board composition and the needs to identify and select new members to the Board or Board Committees.

Based on the assessment, the NC concluded that the current structure, size and composition of the Board, which comprises people who possess a wide range of expertise, experience and skills in various fields to enable them to discharge their duties and responsibilities effectively. The Board Chairman had performed in an excellent manner and contributed to the Board.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A — BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Nomination Committee (cont'd)

Full details of the NC's duties and responsibilities are stated in the terms of reference which is available on the Company's website at www.inix.com.my.

The NC meets as and when required, at least once a year. During the financial period, one (1) meeting was held with full attendances from all its members.

The Company's Articles of Association provides that one third (1/3) or nearest to one-third (1/3) of the Directors for the time being shall retire from office and be eligible for re-election provided always that all the Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election. All the retiring Directors will abstain from deliberations and decisions on their own eligibility to stand for re-election at the Board Meeting.

In considering whether to recommend a Director who is eligible to stand for re-election, the NC would consider a variety of factors, including:

- skills, knowledge, expertise and experience;
- professionalism;
- time commitment to effectively discharge his role as a director;
- contribution and performance;
- character, integrity and competence;
- boardroom diversity including gender diversity; and
- in the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from independent non-executive directors.

Remuneration Committee

The Remuneration Committee ("RC") comprises three (3) Members, majority of whom are Independent Directors. The members of the RC are as follows:-

1. Dato' Megat Fairouz Junaidi Bin Megat Junid (Chairman)
2. Dato' Zhang Li (Appointed on 6 March 2019)
3. Lee Yueh Shien (Appointed on 6 March 2019)
4. Prof Datuk Dr Dominic Lau Hoe Chai (Retired on 31 December 2018)

The RC is responsible for evaluating, deliberating and recommending to the Board the compensation and benefits that are fairly guided by market norms and industry practices for the business the company is in. The RC is also responsible for evaluating the Executive Directors' remuneration which is linked to the performance of the Executive Directors and performance of the Group. Individual Director does not participate in the decisions regarding his individual remuneration.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A — BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration Committee (cont'd)

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors and Senior Management needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, and after giving due consideration to the Group's performance.

Pursuant to Section 230(1) of the Companies Act, 2016, fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The details of the Directors' remuneration comprising remuneration received from the Company in the financial period ended 31 January 2020 as are follows: -

| Category | Directors Fees and Meeting Fees (RM) | Salaries and others Remuneration (RM) | Statutory Contribution (RM) | Total (RM) |
|--|---|--|-----------------------------------|---------------|
| Executive Directors | | | | |
| Zhang Yang (Appointed on 17 January 2020) | | | | |
| Dato' Zhang Li (Appointed 15 February 2019) | 198,000 | | | 198,000 |
| Non-Executive Directors | | | | |
| Dato' Megat Fairouz Junaidi Bin Megat Junid | 22,000 | | | 22,000 |
| Dr. Azman Bin Hussin (Vacated Office on 24 June 2019) | | 64,500 | | 64,500 |
| Mohd Anuar Bin Mohd Hanadzlah (Suspension on 18 March 2020) | 1,355 | 120,484 | 8,233 | 130,072 |
| Lee Yueh Shien (Appointed on 15 February 2019) | 46,500 | | | 46,500 |
| Edwin Silvester Das (Appointed on 15 February 2019) | 34,500 | | | 34,500 |
| Prof Datuk Dr Dominic Lau Hoe Chai (Retired on 31 December 2018) | | | | |
| Norizam Bin Tukiman (Resigned on 22 January 2019) | | | | |
| Dr. Wong Jeh Shyan (Resigned on 22 January 2019) | | | | |

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A — BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration Committee (cont'd)

The details of the remuneration of the top Senior Management (including salary, bonus, benefit in kind and other emoluments) in each successive bands of RM50,000.00 during the financial period ended 31 January 2020 are as follows:-:

| Range of Remuneration (RM) | Designation of Top Senior Management |
|----------------------------|--------------------------------------|
| 150,001 — 200,000 | |
| 200,001 — 250,000 | |

PRINCIPLE B — EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Board is assisted by the Audit Committee (“AC”) which comprises exclusively three (3) Independent Non-Executive Directors, to oversee the Group’s financial reporting process. In line with the principles of the MCCG, the terms of reference of the AC was amended to include a policy that requires a former key audit partner who was part of the engagement team to observe a cooling-off period of at least 2 years before being appointed as a member of the AC.

The Chairman of the AC is not the Chairman of the Board. The AC Chairman is able to assess to the Executive Directors, Senior Management, External Auditors and Internal Auditors.

The composition of the AC is reviewed annually with the view to maintain an independent and effective AC, and in line with the principles of the MCCG, all members of the AC have continuously improved their financial literacy by attending trainings on the developments and changes in the Malaysian Financial Reporting Standards in order for them to discharge their duties effectively.

The independence, suitability and appointment/re-appointment of the External Auditors are reviewed by the AC annually based on the External Auditors Appointment.

Risk Management and Internal Control Framework

The Board has an overall responsibility in maintaining a sound internal control system that provides reasonable assurance of effective and efficient operations and compliance with internal procedures and guidelines.

The Risk Management Committee has been formed to assist the Board on the ongoing process for identifying, evaluating and managing the significant risks faced by the Group. This process is regularly reviewed and is in accordance with the Statement on Risk Management and Internal Control: Guidance for Directors of Public Listed Companies.

The Executive Directors and Senior Management are responsible for the identification and evaluation of key risks applicable to their areas of business activities on a continuous basis. Risks identified are reported in a timely manner during the periodic management meetings to enable corrective actions to be taken.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE B — EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Risk Management and Internal Control Framework (cont'd)

The Internal Audit Function is carried out by Insight Advisory Services Sdn Bhd., an internal audit consulting firm. The internal audit function is headed by a Director who is assisted by a manager. The Internal Auditors have performed its work with reference to the principles of the International Professional Practice Framework of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders. The AC will review the engagement between the Group and the Internal Auditors to ensure that the Internal Auditors' objectivity and independence are not impaired or affected.

The Board is of the view that the system of internal control and risk management is in place, is sound and sufficient in safeguarding the Group's assets and shareholders' investment and interests of all stakeholders.

The Statement on Risk Management and Internal Control furnished on pages 23 to 26 of this Annual Report provides an overview on the state of risk management and internal controls within the Group.

PRINCIPLE C — INTEGRITY IN CORPORATE REPORTING AND MEANING RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The Group is committed to regular and proactive communication with shareholders and investors. Formal channels are used to communicate to the shareholders and investors on all major developments of the Group on a timely basis.

In addition to quarterly financial reports and various disclosure and announcements made to Bursa Securities, the other key channel of communication with shareholders and investors is the annual report of the Group, where details on the financial results and activities of the Group are provided.

The Company's annual general meeting is an important forum for dialogue and interaction with shareholders. Shareholders have the liberty to raise questions on the proposed resolutions at the meeting as well as matters relating to the Group's businesses and affairs.

The Group also maintains a website at www.inix.com.my to enable easy and convenient access to up to-date information relating to the Group.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE C — INTEGRITY IN CORPORATE REPORTING AND MEANING RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Conduct of General Meetings

The AGM represents the principal forum for dialogue and interaction with shareholders, AGM also serves as an important platform for the shareholders to exercise their rights in the Company. The notice of AGM and Annual Report are sent 28 days prior to the AGM, so as to provide sufficient time for shareholders to read through the Annual Report and make the necessary attendance and voting arrangements. Concurrently. The notice of AGM is advertised in a nationally circulated English daily newspaper.

The shareholders are given the opportunity to raise issues and questions pertaining to the Group's strategy or developments during the AGM. All the Directors and key management personnel are available to provide responses to questions raised by the shareholders during the AGM. The Company's External Auditors also attend the AGM and are available to address any relevant queries raised by the shareholders pertaining to the audit matters and audit report.

In compliance with AMLR of Bursa Securities, voting for all resolutions set out in the Notice of the AGM shall be conducted by poll as it fairly reflects shareholders' views by ensuring that every vote is recognized, in accordance with the "one share one vote" principle which enforces greater shareholders' rights. As the number of shareholders is not large, the Company currently conduct manual poll voting instead of electronic poll voting. At least one (1) independent scrutineer is appointed to validated the votes cast at the meeting.

The outcome of the meeting will be announced to Bursa Securities on the same day, the same is also accessible on the Company's website.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the accounting period, and of the results of their operations and cash flows for the period then ended.

In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 2016 have been applied. The Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgments and estimates.

The Directors also have a general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

The Directors are required by the Companies Act, 2016 and the AMLR, to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group at the end of financial year and of the results and cash flows of the Company and of the Group for the financial year then ended.

Corporate Governance Overview Statement (cont'd)

COMPLIANCE STATEMENT

The Board has complied most of the recommended practices of the MCCG throughout the financial period, except for the following:-

- i) Step Up 4.3 — to have a policy to limit the tenure of independent directors to nine (9) years;
- 2) Practice 4.5 — to have a policy on gender diversity, its targets and measures to meet those targets;
- 3) Practice 7.2 —to disclose the top five (5) senior management’s remuneration in bands of RM50,000 on a named basis;
- 4) Step Up 7.3 fully disclose the detailed remuneration of each senior management personnel on a named basis;
- 5) Practice 11.2 — to adopt integrated reporting based on a globally recognised framework; and
- 6) Practice 12.3 — to leverage on technology to facilitate voting in absentia and remote shareholders’ participation at general meetings.

The Board acknowledges that achieving excellence in corporate governance is a continuous process and is committed to play a pro-active role in steering the Group towards the highest level of integrity and ethical standards.

This Corporate Governance Overview Statement and CG Report was approved by the Board on 23 June 2020.

Additional Compliance Information

The following is provided in compliance with the AMLR of Bursa Securities:-

1. Non-audit fees

There were no non-audit fees paid to the Group's external auditors during the financial year period 31 January 2020.

2. Material contracts

There were no material contracts entered into by the Company and/or its subsidiaries that involve Directors' or substantial shareholders' interests either still subsisting at the end of the financial year period ended 31 January 2020 or entered into since the end of the previous financial year.

3. Share Buy-back

There was no share buy-back by the Company during the financial period ended 31 January 2020.

4. Utilization of Proceeds Raised from Corporate Proposals

On 21 August 2019, the Company had announced its proposal to undertake a private placement comprising the issuance of up to 37,545,700 new ordinary shares ("Placement Shares") representing not more than ten (10) per centum of the total number of issued to third parties to be identified ("Proposed Private Placement"), and made an application to Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the Placement Shares to be issued pursuant to the Proposed Private Placement on the ACE Market of Bursa Securities.

On 30 September 2019, Bursa Securities granted approval for the listing of and quotation of the Placement Shares on the ACE Market of Bursa Securities. As at the date of this report, the status of utilization of proceed raised from Proposed Private Placement is as follows:-

| Purpose | Proposed Utilisation RM'000 | Actual Utilisation RM'000 | Intended Timeframe for Utilisation (from listing date) |
|--|-----------------------------------|---------------------------------|---|
| Expense on Potential business opportunity | 250 | 250 | Within 3 months |
| Expenses for acquisition of Aircomaster Sdn Bhd | 350 | 350 | Within 6 months |
| Working Capital | 660 | 660 | Within 12 months |
| Expenses for Proposed Private Placement | 150 | 150 | Within 1 month |
| Total gross proceeds | 1,410 | 1,410 | |

Additional Compliance Information (cont'd)

5. Employees Share Option Scheme

During the financial period ended 31 January 2020, a total of 33,809,264 options over the ordinary shares were exercised pursuant to the Company's Employees' Share Issuance Scheme ("ESOS").

The total number of options granted, exercised and outstanding under the ESOS as at 31 January 2020 are set out in the table below:-

| Description | Number of Options as at 31 January 2020 | |
|-------------|---|------------|
| | Total | Staff |
| Granted | 12,000,000 | 12,000,000 |
| Exercised | 12,000,000 | 12,000,000 |
| Outstanding | Nil | Nil |

Percentage of options applicable to Directors and Senior Management under the ESOS:-

| Directors and Senior Management | During the financial period 31 January 2020 | Since commencement up to 31 January 2020 |
|---------------------------------|---|--|
| Aggregate maximum allocation | Nil | 80% |
| Actual granted | Nil | 80% |

6. Recurrent Related Party Transactions

The Group did not have any recurrent related party transactions of revenue or trading nature during the financial period ended 31 January 2020, which exceeded the materiality threshold stipulated in Rule 10.09 (2)(b) of the AMLR of Bursa Securities.

7. Material Properties

The Company and the Group does not own any landed property for the financial period ended 31 January 2020.