

## DotAsia Board Finance Committee (BFC) Meeting Minutes

<b>Date(s) &amp; Time:</b>	Jul 28, 2020 (Tuesday) 16:00 – 17:27 HKT
<b>Location:</b>	DotAsia Zoom Meeting Room: <a href="http://aji.asia/zoomboardfinance">http://aji.asia/zoomboardfinance</a>
<b>Attendees:</b>	Satish BABU Edmon CHUNG Maureen HILYARD LIM Choon Sai Rebecca CHAN (DotAsia Team) Freda CHEUNG (DotAsia Team)

No.	Action Items:	Owner	Remarks
F2020.07.A01	List highlighted items in the audit reports with explanations to the Board for reference.	Rebecca CHAN	Completed.
F2020.07.A02	Send email to Dr. Tham regarding signing financial documents with response deadline prior to next BFC meeting.	Rebecca CHAN	Completed. Awaiting response from Dr. Tham.

### Discussions:

#### 1. Roll Call

- 1.1. Mr. LIM Choon Sai continued to Chair the BFC meeting on Jul 28, 2020.
- 1.2. Roll call. Those present for all or part of the meeting are included in the Attendees section.

#### 2. Adoption of Minutes of last BFC Meeting on Jun 28, 2020

- 2.1. BFC meeting minutes 2020.06.28 and action items were discussed.
- 2.2. BFC Meeting Minutes 2020.06.28 approved unanimously.

#### 3. Updates on Request for Quotation

- 3.1. A total of 15 RFQ invitations were sent out, 3 firms responded that they will not proceed with the response, quotations from two firms (Fusion CPA and LK Accounting) were received and 2 more firms have indicated their potential interest in responding with their quotation, the remainder did not respond. A rough description of the 2 quotations received was briefed to BFC.

- 3.2. DotAsia team is communicating with the pending firms for submission, currently there is no clear timeline for collecting all quotations. The team will provide a more detailed comparison of received quotations once they are received.

#### **4. Audit Reports for DotAsia and group companies**

- 4.1. Draft audit reports were presented to the BFC for consideration. Highlighted items were briefed to BFC.

4.1.1. DotAsia Organisation Limited

4.1.1.1. The List of Directors of DotAsia Organisation (item 5) is updated to listing as of Jun 30, 2020.

4.1.1.2. The Directors' Interest (item 6) will be updated in fiscal 2020 after the allotment of shares to ER3 and DotPH (Board Resolution 2020.06.004).

4.1.1.3. The Auction Revenue in Revenue and Other Income (note 10) will be revised to Premium Domain Name Sales.

4.1.1.4. The litigation with DotPH is included in the audit report but provision for legal fees are not included in the report since it was not within the fiscal period (note 30).

4.1.1.5. Question was raised on the difference on Net asset between DotAsia Organisation only and DotAsia Group of Companies. It was explained that some of the TLD assets of Namesphere Group were not quantified causing a larger discrepancy.

4.1.1.6. It was suggested to list the highlighted and discussed items with explanations in the communications to the full Board for their reference. (F2020.07.A01)

4.1.2. DotAsia Foundation Limited

4.1.2.1. Question was raised on the arrangement for DotAsia staff supporting the DotAsia Foundation activities. It was explained that staff receive payroll under DotAsia Organisation only, and salaries are allocated to DotAsia Foundation based on the staff's time allocation survey (Previous Action Item 2019.10.A07, reported completed and implemented into 2019 Financials and 2020 Budget in Dec 2019).

4.1.3. Namesphere Limited

4.1.3.1. The Current Liabilities due to ER3 and DotPH will be adjusted in Audit Report 2020 if the allotment of shares completes within fiscal year 2020.

4.1.4. Namesphere Holdings Limited

4.1.4.1. The Current Liabilities due to a shareholder includes the amount from Namesphere Limited to Namesphere Holdings

for .BOX. This is the amount received from the .STUDIO transaction and used in the acquisition of .BOX.

4.1.5. DotBox Limited

4.1.5.1. Question was raised on how the legal fees for the ongoing litigation is reflected. It was explained that the legal fees are currently accounted for under Namesphere Holdings Limited.

4.1.6. DotKids Applicant Limited

4.1.6.1. Formerly named “DotKids Foundation Limited.” The name change was done to give way to a new not-for-profit (limited-by-guarantee) corporation with the same name, which will proceed to sign the Registry Agreement contract with ICANN. This is in accordance with the original submitted application to ICANN.

4.1.6.2. The target for signing the contract with ICANN is in August or September 2020.

4.2. No further comment from BFC members. It is planned that the audit reports will be tabled for discussion at the July Board Meeting with a target for adoption at the August Board Meeting.

4.3. The audit report of DotAsia Organisation (which includes the DotAsia Group of Companies) was prepared by RSM Hong Kong, whereas the individual audit report of DotAsia Foundation, Namesphere and others were prepared by Dynamic Dragons & Co.

**5. Consideration on signatories for banking and audit reports**

5.1. It was explained that in previous years, the audit reports were often signed by Edmon and Dr. Tham upon Board adoption. Especially for DotAsia Foundation and Namesphere where Edmon and Dr. Tham are listed as board members from DotAsia.

5.2. It was also explained that Dr. Tham is currently a signatory for the DotAsia Organisation bank accounts at HSBC and ICBC. In order to execute on the previous board resolutions to add new signors to the ICBC account (2020.04.002) and to setup the DotAsia Foundation account (2019.06.003), we need the confirmation of all the signors.

5.3. The DotAsia team has continued to reach out to Dr. Tham and followed up with him (F2020.06.A01). As of this time Dr. Tham has not provided confirmation on the matters above.

5.4. It was suggested and agreed to send an email to Dr. Tham stating a response deadline. (F2020.07.A02)

5.5. It was suggested and agreed that the deadline should be set before the next BFC meeting (and Board meeting) in August. In the case that Dr. Tham responds timely, the matters can proceed accordingly. In the case that no response is received, the BFC will further consider the matter, including removing temporarily provisioning for Dr. Tham’s signatory until he can respond actively.

**6. Updates on Technical Team Adjustment**

- 6.1. It was explained that DotAsia currently utilizes 2 outsourced providers for managing internal technical infrastructure and development, Oursky who supports DotAsia internal infrastructure (email/ file servers/ etc.) and Reyaz who supports DotAsia development works (delivery to Timor Leste and .MO). Moving forward, DotAsia will be adjusting the level of engagement, lowering Oursky and increasing the utilization of Reyaz, where Reyaz will help support DotAsia internal infrastructure as well.
- 6.2. It was further explained that given that both providers are current providers and the works have been provisioned in the annual budget, the change should not require further consideration in accordance with the SOP.