

DotAsia Board Finance Committee (BFC) Meeting Minutes

Date(s) & Time:	September 15, 2020 (Tuesday) 12:33 – 13:16 HKT
Location:	DotAsia Zoom Meeting Room: http://aji.asia/zoomboardfinance
Attendees:	Edmon CHUNG Maureen HILYARD LIM Choon Sai Tony HON (Fusion CPA) Grace YAU (Fusion CPA) Rebecca CHAN (DotAsia Team) Freda CHEUNG (DotAsia Team) Apologies: Satish BABU

No.	Action Items:	Owner	Remarks
F2020.08.A01	Table the discussion on appointing Fusion CPA as accounting firm to the Board for formal resolution in Aug Board Meeting.	Edmon CHUNG	Tabled in Aug Board meeting, discussion set for Sep 2020 Board meeting.
F2020.09.A01	First draft of Budget 2021-2022 to be circulated to BFC for consideration by Dec 2020 or Jan 2021.	Edmon CHUNG	

Discussions:

- 1. Roll Call**
 - 1.1. Mr. LIM Choon Sai continued to Chair the BFC meeting on Sep 15, 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 Aug 18, 2020**
 - 2.1. BFC meeting minutes 2020.08.18 and action items were discussed.
 - 2.2. BFC Meeting Minutes 2020.08.18 approved unanimously.
- 3. Update on Audit Reports and filing of tax return for DotAsia and group companies**
 - 3.1. DotAsia has informed auditor that draft audit reports have been approved by the Board. RSM is working on producing the audit reports of DotAsia Organisation,

meanwhile, other audit reports of group companies have been printed by Dynamics Dragons. All audit reports will be delivered to Maureen for signatures when ready.

- 3.2. It was reported that the requested tax return for the following companies have been filed to Inland Revenue Department (IRD):
 - Namesphere Limited
 - Namesphere Holdings Limited
 - Global Website Asia Limited
 - Global Website TLD Asia Limited
 - DotBox Limited
 - DotKids Applicant Limited
- 3.3. It was clarified that the filing of tax return is only required upon request by IRD, for companies that do not have taxable profit, tax return filing is usually requested every 3 to 4 years. It was explained that the tax return filing process was delayed originally due to the delay of the audit. Tax return has nevertheless been filed on the new due date of Sep 3, 2020 along with a request for waiving the late filing fee of HKD 1,200.
- 3.4. It was reported that since Dr. Tham rejected to approve the audit reports of Namesphere Limited, Namesphere Holdings Limited, and DotBox Limited, as expected, in the IRD filing, no approval date was included on those submitted audit reports, and based on the legal advice already received on this, an additional letter explaining the situation was submitted together with the reports.
- 3.5. It was further explained that if and once the process of adding an additional Director to the Namesphere Board is completed, the newly appointed Director could consider and approve the audit reports which will be re-submitted to IRD at that time.

4. Update on signatories for bank accounts and BUD funding

- 4.1. Based on the received legal advice, DotAsia has suspended pursuing the addition of new signatories for the ICBC accounts, as there is no expectation for payments to go beyond requiring two signatories.
- 4.2. HSBC has confirmed that Satish and Maureen are added as signatories for the HSBC accounts and as Internet banking users. Security device and activation pin for Satish have arrived and have been delivering to him, whereas the activation pin document for Maureen is still pending from HSBC.
- 4.3. It was reported that the approved BUD programme 2020 has been withdrawn due to the COVID-19 situation, which prevented roadshows and travels to happen. Anticipated expenses and received grants will be adjusted in the cash flow projection.
- 4.4. Re-application of BUD funding for promoting .Asia branding with registrar partners will be developed further with BGC-003 requirements taken into consideration.

5. Meeting with Fusion CPA (selected Financial Services Provider)

- 5.1. Grace and Tony from Fusion CPA joined the BFC meeting and provided a brief introduction of the firm. Tony is introduced as the core person who will be handling DotAsia's accounting matters.

- 5.2. It is anticipated that Fusion CPA will start providing service from Oct 1, 2020 and will work closely with Rebecca to become familiarized with DotAsia's accounting system.
- 5.3. It was reminded that this is put in place in part in response to challenges raised, and to address potential perceived conflicts of interest, and in part to enhance the capabilities of DotAsia to enhance financial reporting. It was highlighted that as the Financial Services Provider, Fusion CPA representatives have direct channel to the BFC and the Board and are encouraged to continue to maintain a close relationship with the Board, especially through the BFC Chair.

6. Budget 2021 - 2022

- 6.1. As per earlier agreement at the BFC, budget approval cycle for DotAsia is updated from 2-year to annual. The previous budget nevertheless included projection from 2020-2022, so the development of budget 2021-2022 will be based on adjustments to the previous projections. Preparations for Budget 2021-2022 will begin in Oct 2020.
- 6.2. It was explained that DotAsia's current budget cycle is Apr 1– Mar 31, whereas the fiscal cycle is Oct 1 - Sep 30.
 - 6.2.1. It was further explained that this was historically put in place given that the DotAsia AGM is set in February (during APRICOT), the new Board seated at an AGM would be able to review the budget before approval.
 - 6.2.2. Fusion CPA explained that most of Hong Kong companies' financial year ends on Mar 31 or Dec 31 which has some benefits for extension of tax filing, but there is no particular requirement for setting the financial cycle.
- 6.3. Question was raised on the impact of COVID-19 situation to Budget 2020-2021 and how its implications maybe reflected on the upcoming budget adjustments.
 - 6.3.1. It was explained that financial reporting is usually presented at the face-to-face Board meetings at APRICOT and in Hong Kong, which includes comparison of budgeted amount versus the actual amount, and that this is used for adjusting budget projections.
 - 6.3.2. The expected impact of COVID-19 to the budget would be the lowering of travel expenses since travel plans are cancelled. Meanwhile, the ongoing legal disputes would require an increase in budget allocation. As a whole, no significant change in the overall budget is expected.
- 6.4. It is targeted to share the first draft Budget 2021-2022 to BFC for consideration by Dec 2020 or Jan 2021 and table the draft Budget 2021-2022 for full Board consideration by Feb 2021. (F2020.09.A01)
- 6.5. It was suggested and agreed that a more simplified format for financial reporting could be beneficial for better understanding by Board members. It was remarked that with the support from Fusion CPA, more concise financial reports should be developed.