

**DotAsia Board Finance Committee (BFC) Meeting Minutes**

<b>Date(s) &amp; Time:</b>	November 11, 2022 (Friday) 14:00 PM – 15:15 PM (HK Time)
<b>Location:</b>	DotAsia Zoom Meeting Room: <a href="http://aji.asia/zoomboardfinance">http://aji.asia/zoomboardfinance</a>
<b>Attendees:</b>	<p>Kashif ADEEL Satish BABU Andi BUDIMANSYAH* Edmon CHUNG Joel DISINI Murad IBRAGIMOV Leonid TODOROV</p> <p>Rebecca CHAN (DotAsia Team) Phyo Thiri LWIN (DotAsia Team)</p> <p>Absent: Santanu ACHARYA Arthur CHANG</p> <p>*Left during discussion item 6.1</p>

No.	Action Items:	Owner	Remarks
F2021.01.A04	Search other bank options for opening new Namesphere bank account.	Rebecca CHAN	Suggested to be suspended until after mediation.
F2021.08.A01	Propose procedures of conducting random verification on the Reports provided by Afilias.	Rebecca CHAN	Reports circulated to BFC. Discussion deferred to next BFC meeting.
F2022.10.A01	Create a shared Doc for drafting the scope work and auditor quotations.	Edmon CHUNG	Completed.
F2022.11.A01	Completion of Namesphere audited financials 2019 with Dynamic Dragon.	Rebecca CHAN	Completed.
F2022.11.A02	Resend details about Canadian lawsuits to Board members.	Edmon CHUNG	Completed.
F2022.11.A03	Proceed with MNDAs with prospective forensic investigation providers	Edmon CHUNG, Rebecca CHAN	Completed.

## Discussions:

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### 1. Roll Call

- 1.1. Mr. Kashif ADEEL chaired the BFC meeting on November 11, 2022.
- 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 October 06, 2022

- 2.1. Draft 1 of BFC meeting minutes 2022.10.06 and action items were discussed.
- 2.2. A question was raised as to why the process of opening the bank account was put on halt. The clarification was that banks hesitated to set up a bank account for Namesphere because of the litigation and it is envisaged that the situation might change post-mediation.
- 2.3. It was clarified that DotAsia did not create any account to support APSIG. It was also commented that APSIG was unable to open bank accounts and appreciates DotAsia's support.
- 2.4. It was noted that Arthur has been added as the authorized signatory for all DotAsia accounts at HSBC and that DotAsia staff received the Internet Banking document package and forwarded it to Arthur.
- 2.5. BFC meeting minutes 2022.10.06 approved with one objection from Joel DISINI.

### 3. Monthly Financial Reporting – Report from Fusion

- 3.1. Rebecca presented a financial report prepared by Fusion for the period from Oct 2021 to July 2022.
- 3.2. A further question was raised about whether or not the report shows deferred revenue. It was explained that financial reports always show deferred revenue. It was noted that the presentation of the Statement of Profit /Loss has improved compared to last year.
- 3.3. There was a comment on the targeted increase in registrations of 3% and whether or not actions have been taken to achieve the goal. It was explained that action on market development has taken as previously presented and results should be seen in the coming months. It was noted that legal costs are the main cause for the continuously challenging fiscal state.
- 3.4. It was also noted that DotAsia received a COVID pandemic relief-employment subsidies from the Hong Kong government.
- 3.5. A question was raised about current office usage by staff. It was explained that the physical presence is gradually resuming; however, not mandatory, just like elsewhere, and that the lockdown in Hong Kong is not completely lifted.
- 3.6. Rebecca presented a YoY balance sheet was by compared. Comments were raised for the team to identify areas for reducing costs.
- 3.7. A question was raised about the other income from HNET. It was explained that the income from HNET was included in the revenue portion because they are part of the regular revenue. It was further noted that for the Timor Leste (MSRS.TL)

project, most part of the project had already been billed in the previous year, so it was not included in the balance sheet.

- 3.8. A further question was raised about in-house IT services. It was explained that the Tech team worked to support general IT services for DotAsia email, website, APriGF, IGfSA and other initiatives and additional maintenance is outsourced.

#### **4. Legal Updates**

- 4.1. An update on the post-mediation negotiations status regarding the .BOX lawsuits was provided. It was noted that the completion of the settlement will have a positive impact on the organization's financial position of because a large amount had been previously put aside in provisional legal expenses.
- 4.2. An update on the mediation for the Hong Kong lawsuits was provided. It was noted that DotAsia had responded to the plaintiff's mediation notice and is waiting for the litigant response.
- 4.3. A comment was raised on whether the CEO should be involved in the mediation process. It was clarified that the DotAsia Board made a decision for the CEO to participate in the development of the mediation response and to support the ad-hoc mediation committee.
- 4.4. A question was raised on details regarding the Canadian lawsuits. It was noted that information had been provided to Board members. A further question was raised regarding concerns on the allegations in gross negligence against the CEO's negligence. It was clarified that expert opinion was obtained regarding the allegations and the expert report explicitly holds that CEO did not commit any negligence and the respective deliberations were included in the mediation note prepared by the legal counsels. Details were earlier circulated to Board members and will be circulated again in reference to this discussion. (F2022.11.A02)
- 4.5. It was suggested that the Namesphere board should be involved in the process of negotiations. It was noted that the process for seating new members onto the Namesphere board is underway and that once the board is seated, further onboarding and Namesphere board meeting to address the matter, among others, should be held.

#### **5. Update on banking documents and audits**

- 5.1. Rebecca shared the updates regarding banking documents.
- 5.2. Kashif's documents have been certified by CPA remotely and submitted to HSBC. Ray Lam from HSBC confirmed their receipt. DotAsia is currently awaiting HSBC to complete the process.
- 5.3. The HSBC security device and pin letter were couriered to Arthur. It may take some time before Arthur receives it. For ICBC documents, they were couriered to Arthur to sign. It was further noted that the previously signed signature card for ICBC was not accepted by the bank because some of the signatures overlapped. New cards have been obtained from ICBC and signatures have been obtained from Kashif during the APTLD meetings in Muscat and are now being passed over to Arthur. The staff will further coordinate with Satish to obtain his signature.
- 5.4. Regarding the audit for DotAsia, Mazars is awaiting the legal counsels' opinion to consider if any adjustments on provisional legal costs may be required. Once the documents are available, Mazars can produce a final draft of the report. It is noted that all other audit procedures are completed.

- 5.5. As for audit for Namesphere, the latest update is that Dynamic Dragons had already produced its hard copies and it was with their CPA just to do a final check and to execute it. After that, the engagement letter with KSHK can be executed.
- 5.6. A suggestion was put forward for redoing the 2019 audit if Dynamic Dragons do not respond in one week. There was a comment regarding delays in the process. It was clarified that the report was signed by DotAsia only in September during the F2F Board meeting in Singapore, so it has only been a little over a month since then.

## **6. Update on special forensic audit**

- 6.1. The CEO shared updates on special forensic audit.
- 6.2. It was noted that staff has been reaching out to a number of potential providers and started with the management committee of Hong Kong Institute of Certified Public Accountants, a forensics interest group, as per the BFC's suggestion.
- 6.3. The next step is to finalize a request for quotation (RFQ) and the respective document was posted and shared via Google docs for BFC members as per discussion from last meeting. The BFC members are asked to provide more input on specific service requirements as far as the the scope of work.
- 6.4. A suggestion was put forward for DotAsia to engage with the SPB as the additional corporate legal counsel regarding the audit.  
  
It was noted that most of the firms identified to date are CPA firms and that some of them are specialized consulting firms with expertise in forensic accounting and investigation.
- 6.5. A suggestion was raised to grant the appointed auditor access to the BFC chair for additional questions on inquiries. It was explained that once the provider is engaged, it should have access to Board members and will be conducting interviews with staff and other stakeholders as it deems fit, including Board members.
- 6.6. The staff team will be working with each identified provider to further the discussion, and to complete entering into mutual non-disclosure agreements (MNDA) with potential providers as an action item so that more details could be shared with them for their consideration. (F2022.11.A03)

## **7. AOB**

Discussions deferred to the next meeting.