

DotAsia Board Finance Committee (BFC) Meeting Minutes

Date(s) & Time:	January 15, 2021 (Friday) 14:03 – 14:57 HKT
Location:	DotAsia Zoom Meeting Room: http://aji.asia/zoomboardfinance
Attendees:	Satish BABU Edmon CHUNG Maureen HILYARD LIM Choon Sai Rebecca CHAN (DotAsia Team) Freda CHEUNG (DotAsia Team)

No.	Action Items:	Owner	Remarks
F2020.10.A02	Develop process for confirming membership of Sponsor Members for being part of DotAsia.	DotAsia Team	Combined with Member engagement.
F2020.10.A03	Explain current situation and discussed future direction of PROSCOM to AC member in next AC meeting.	Edmon CHUNG	To be raised in the next AC meeting.
F2020.11.A01	Bring discussion of setting policy on engaging and maintaining corporate relationships to BGC.	Edmon CHUNG	To be raised in Feb BGC meeting.
F2020.12.A01	Present revised Budget 2021 – 2022 for discussion at next BFC meeting.	Edmon CHUNG	Completed. Refer to Discussion Item 4.
F2020.12.A02	Seek advice from Fusion on reflecting risk management in budgeting.	Rebecca CHAN	On hold. Refer to Discussion Item 6.
F2020.12.A03	Obtain quotations for the new accounting software.	Rebecca CHAN	In progress. Refer to Discussion Item 8.
F2021.01.A01	Obtain further legal advice on paragraph 1 in BFC-002.	Edmon CHUNG	To be raised with counsels at upcoming meeting.
F2021.01.A02	Table the Budget 2021-2022 to the Board for consideration.	Edmon CHUNG	Completed.
F2021.01.A03	Obtain quotations for replacement of annual financial auditor, and prepare for appointment of new financial auditor at AGM 2021.	Rebecca CHAN	In progress.

No.	Action Items:	Owner	Remarks
F2021.01.A04	Search other bank options for opening new Namesphere bank account.	Rebecca CHAN	

Discussions:

1. Roll Call

- 1.1. Mr. LIM Choon Sai continued to Chair the BFC meeting on Jan 15, 2021.
- 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 Dec 8, 2020

- 2.1. BFC meeting minutes 2020.12.08 and action items were discussed.
- 2.2. BFC Meeting Minutes 2020.12.08 approved unanimously.

3. Consideration of Legal Advice received

- 3.1. Received legal advice (Jan 8, 2021) included suggestion for amending BFC-002: Company Documents Director Request Process. Proposed amendment was presented and briefed to BFC for discussion.
 - 3.1.1. Rewording of paragraph 1.1 was suggested.
 - 3.1.2. It was suggested to delete paragraph 2.1.2.
- 3.2. Question was raised on the key difference in the amended version. It was explained that the original version requested the director to state the purpose or rationale for request (paragraph 2.1.2). However, legal counsel suggested that director should not need to state the purpose or rationale under normal circumstances. Only in situations where there is reasonable indication to show that such requests would be abusive should the Board consider appropriate actions to withhold access.
- 3.3. It was highlighted that other procedures remain unchanged.
- 3.4. Question was raised on who will make judgement on potentially abusive requests. It was discussed that any Board Member, including the CEO, could raise concern on request, and the majority of the Board will be responsible for making judgement, the Board may obtain professional advice before making such a decision.
- 3.5. Concern was raised on whether a director who is a signatory could be interpreted to have requested access to all documents.
 - 3.5.1. It was explained that a director who is a signatory is routinely provided access to supporting documents related to the transactions that is being authorized only.

- 3.5.2. It was suggested to obtain legal advice on whether it is better to remove paragraph 1 (and its sub paragraphs) completely or should paragraph 1 be further updated to cover other possible situations. (F2021.01.A01)

4. Budget 2021-2022 (adjustments from 2020-2022 budget)

- 4.1. Draft 1.1 of Budget 2021-2022 was presented and briefed to BFC for discussion.
- 4.2. Key changes on 2021-2022 projection are highlighted as expenses on Marketing Development, Travel, and Administrative Overhead, and that budget for Travel is now separated from Market Development as per the discussion at last BFC meeting.
- 4.3. Pie chart of Budget allocation was presented and briefed to BFC.
- 4.4. Question was raised on budget allocation for the SCP applications. It was clarified that the budget for SCP funds is included in Others under Community Contributions.
- 4.5. It was clarified that legal fee is included in Expense of Professional Services under Other Admin Expenses.
- 4.6. BFC discussed and agreed to table the Budget 2021-2022 to the Board for consideration. (F2021.01.A02)

5. Appointment of RSM as the third-party scrutineer for BEP2021

- 5.1. It was reported that on Jan 12, 2021, RSM has conveyed their intention to resign as financial auditor and third party scrutineer for BEP2021. DotAsia team has sought clarification from RSM on its move which appeared likely to be carried out at this point.
- 5.2. DotAsia has reached 3 CPA firms for quotation to be the third-party scrutineer for BEP2021, 1 firm has declined due to the short timeframe. DotAsia is pending more quotations for further actions.
- 5.3. DotAsia is engaging with CPA firms for replacement of annual financial auditor, more details on quotation to be provided once available. It is being planned for the new financial auditor to be appointed at AGM 2021. (F2021.01.A03)
- 5.4. Question was raised on the information sharing between RSM and new auditor. It was reported that RSM will perform standard handover procedures of passing DotAsia files to new auditor as the transition process. It was further reported that the team is awaiting legal advice on accepting RSM's resignation.
- 5.5. It was commented that in some countries, a company may not appoint the same auditor for a long period of time as a best practice. It was understood that there should be no similar requirement for Hong Kong companies.

6. Appointment of Fusion CPA for conducting Board Elections on behalf of Board Secretariat

- 6.1. It was reported that Fusion CPA has been performing administrative tasks of carrying out the Board Elections 2021 on behalf of the Board Secretariat under the supervision of the Board Secretary and the Elections Committee in accordance with the Board Elections Procedures (BEP) 2021. Following its receipt of a threatening note regarding their work and DotAsia legal counsel's response on the

matter, Fusion CPA has determined that they will continue to serve in that role for the Board Elections 2021.

- 6.2. DotAsia will continue to work with Fusion CPA and also further discuss their continued support as DotAsia's appointed financial services provider (Resolution 2020.09.003).

7. Update on opening of Namesphere bank account

- 7.1. As resolved at the Namesphere Board meeting on Dec 4, 2020, Company Secretary of Namesphere has reached ICBC to open new bank account for Namesphere.
- 7.2. It was reported that ICBC has declined Namesphere's request pointing to the current situation that 2 lawsuits were filed against the company.
- 7.3. It is planned to seek other options for opening Namesphere bank account. (F2021.01.A04)

8. Upgrading of accounting software

- 8.1. It was reported that DotAsia has engaged with 3 service providers for quotations to upgrade the accounting software to Microsoft Dynamics 365 Business Central, and preliminary quotes were received from all 3 providers.
- 8.2. Potential options for the software were explained to BFC for discussion.
 - 8.2.1. It was explained that using on premise version would require hardware system in the office and require technical support on both hardware and software, whereas cloud version require annual subscription fees on top of the purchasing price of the software.
 - 8.2.2. Another option of purchasing on premise version and hosting it on Microsoft Azure Cloud is being investigated.
- 8.3. Complete quotations will be presented to BFC for consideration once available. (F2020.12.A03)
- 8.4. Concern was raised on whether Fusion CPA has experience with the planned new accounting software. It was explained that Fusion CPA has no such experience, but that they are confident with their ability to adopt the new software.

9. Publishing DotAsia Governance Documents

- 9.1. Comment was received from AC to post publicly BFC-001: Standard Operating Procedures (SOP) on Finance & Procurement and BFC-002: Company Documents Director Request Process.
- 9.2. It was proposed to review BFC-001 and consider posting both updated documents publicly upon adoption.
- 9.3. Further discussion to be continued at next BFC meeting.