

**Summary of Minutes of the Audit Committee Meeting of Hong Kong Internet Registration Corporation Limited and Hong Kong Domain Name Registration Company Limited held on Wednesday 28 October 2015**

PRESENT: Felix See (Chair), Prof. Francis Chin, Eric Fan, Leo Kan, Sang Young

1. 2015 internal audit report: Auditors from PricewaterhouseCoopers presented their draft internal audit report to the Committee. Overall four findings (1 medium risk, 3 low risk) and two observations were adopted. The Committee asked Management to refine the scopes for future internal audit to measure the business performance and effectiveness of the Company.
2. Timely withdrawal of fixed deposits when a suitable office premises is identified: Committee asked Management to keep monitor the property market. If the likelihood to find a suitable office premises is low, the cash should be placed in fixed deposits that have longer terms and higher interests.
3. Recommendation on selected vendor to conduct year-end audits for 2016: Committee endorsed the recommendation of the reappointment of KPMG to be the Auditor for the year ended 31<sup>st</sup> December 2016 subject to further discussion on the appointment of year-end auditors at the next Board meeting.
4. Progress of follow-up actions for the 2015 security audit: Committee noted that majority of the follow-up actions were closed and the remaining 10 are in progress.
5. Review additions and deletions to the list of Company policies, guidelines and procedures: Committee noted the changes and do not have comments.
6. Quarterly performance of HKIRC for the quarters of Q2 and Q3 2015: Committee members noted the performance report of HKIRC for the quarter of Q2 and Q3 2015.