

Summary of Minutes of the Audit Committee Meeting of Hong Kong Internet Registration Corporation Limited held on Tuesday 28 December 2010

1. Report on the Internal Audit by Internal Auditors: Internal Auditors reported the major findings on the internal audit from Jun to Sep 2010. Auditors reported that there was no high risk item identified. They also commented that Management has hands-on experience in handling the operations of the Company and therefore overall the Company was run smoothly. They were satisfied with the internal control of the Company so far. Members agreed to recommend the 2010 internal audit report for adoption by the Board.

2. Tax planning for HKIRC and HKDNR after implementing R/R model: The Chairperson reported that she had attended the latest CAP meeting to explain the pros and cons of the 3rd and 4th financial models. However, CAP members had finally voted for the 4th model. The Chairperson said that CAP members should have been reminded that the public will only see the consolidated accounts of the group, which will be the same irrespective of which of the 4 models is adopted. In other words they will not see any differences figure-wise between the 3rd model and the 4th model. Also, the Chairperson believed that the word “Agent” might have confused CAP members and caused misunderstanding of the key features and strengths of the 3rd model. She believed that the Group should try the 3rd model first and reiterated that the amount of administrative work under the 3rd model is the least. The Chairperson suggested arranging a meeting with the Chairman to discuss this matter further.

3. Selection of auditors for year 2011: Members noted that KPMG has been the year-end auditor of HKDNR for the past 3 years. Management had prepared a request for proposals for professional auditing services for financial year 2011-2012. Members agreed to the recommendation to re-appoint KPMG as the auditors for year ended 31 December 2011.

4 Quarterly performance of HKIRC for the quarter of Q1-Q3, 2010: Members noted the quarterly performance of HKIRC for the quarters Q1, Q2, Q3 of 2010 with no further comments on them.