

**Summary of Minutes of the Audit Committee Meeting of Hong Kong Internet Registration Corporation Limited held on Tuesday 19 April 2011**

1. HKIRC-HKDNR cost allocation guideline: After the introduction of the Registry-Registrar (R/R) model by HKIRC later this year, the Company will have to allocate the expenditures incurred by HKDNR to HKIRC and HKDNR based on whether the expenditure is incurred for the registry or the registrar function performed by the Group. Management has proposed a cost allocation model for the two companies with advice from KPMG. A Cost Allocation Guideline was drafted to describe the principles and rationale behind the model, the cost allocation ratios to be applied to different expenditure items and principles and conditions under which future changes should be made to the allocation ratios. The Committee endorsed the model and the Guideline subject to amendments discussed and agreed at the meeting. The revised Guideline will also be given to the Auditor, KPMG, for their review. After review, the revised Guideline will be submitted to the Board for approval.
  
2. Quarterly performance of HKIRC for the quarter of Q1 2011: Members noted the quarterly performance of HKIRC for the quarter Q1 of 2011 with no further comments.