





Participants at the DNS and DNSSEC training workshop held in Papua New Guinea, February 2020

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In 2020, the Internet became even more essential to our daily lives as COVID-19 locked down billions of people around the region, travel restrictions impacted communities, and the number of people working remotely skyrocketed.

This meant increased bandwidth was needed. For the first time ever, an intra-Asian route (between Singapore and Indonesia) carried more traffic than a trans-Pacific one. The technical community in the Asia Pacific not only had to ensure the provision of more capacity than ever before, they also needed to do it while dealing with the same pandemic challenges as everyone else.

At a very difficult time, they rose to the challenge and ensured the Internet, for the most part, handled that traffic. But it wasn't easy and hidden within this success story are the difficulties faced by those who struggled to access reliable, affordable, fast, and secure Internet.

The digital divide remains more severe than ever, highlighted in 2020 by how disadvantaged families struggled to find the connectivity needed to school their children at home. This has serious implications for efforts to achieve sustainable social and

economic development in the region, as well as access to services and reliable information related to the COVID-19 response.

Cost remained a key challenge, but issues surrounding availability were also heightened as people moved out of well-connected offices or chose to leave cities to move to rural areas. Reliable, affordable and secure access to the Internet is crucial to accessing government services and becoming better educated and more productive members of society.

A key lesson from 2020 is that fostering an open, stable and secure Internet is no longer just a goal to strive for, it has become a necessity for the well-being of the entire Asia Pacific region.



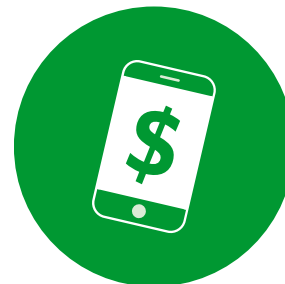
4.3 billion
total population



51.6%
unconnected in 2019¹



28%
still not connected in 2023



32% to 53%
customer interactions that were digital before and during COVID-19²

¹ ITU figures not updated for 2020 at time of publication

² December 2019 to July 2020



DNS and DNSSEC training workshop, Papua New Guinea, February 2020

FOUNDATION TIMELINE

1993
APNIC started in Japan as a pilot project



1999
First training
APNIC conducts its first training session on Internet Resource Management



2002
First funding partnership
PAN Asia ICT R&D Grants Programme established by APNIC, Canada's International Research Development Centre and the United Nations Development Programme's Asia Pacific Development Information Programme



2008
First development program
Information Society Innovation Fund (ISIF Asia) launched by IDRC, APNIC, and the Internet Society - with support from DotAsia

2011
First ITU support
APNIC IPv6 training workshops at the ITU Regional Office Centre of Excellence in Bangkok



2015
First World Bank support
APNIC technical training in Myanmar funded by the World Bank

2016
The APNIC Foundation is incorporated in Hong Kong as a not-for-profit company with APNIC as its sole member



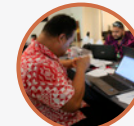
2017
First Foundation project
Funding to support CERT development in the Pacific (DFAT)

2018
New project
Developing the capability of the Papua New Guinea Emergency Response Team (DFAT)

New project
Combating Cybercrime 'Safe havens': Building a well informed and trained cyber law enforcement community in the Pacific (DFAT)

New project
Enhancing National Cybersecurity and Network Quality of Service in Advance of Papua New Guinea's Hosting of APEC (Asia Foundation; MFAT, DFAT)

Support continues
Two Advanced Network Security training workshops at the University of Computer Studies, Yangon, Myanmar (KDDI Foundation)



2019
New project
Regional PNG Technical Network Management Training (DFAT)

New project
Supporting Efficient Internet Connectivity in the Pacific (DFAT)

Support grows
JPNIC provides funding to support technical staff from IXP's in Bhutan, Myanmar, Nepal & Fiji to attend RPKI/ROV sessions at APRICOT 2020

2020
Project continues
Supporting Efficient Internet Connectivity in the Pacific (DFAT)

New project
SWITCH SEA: Fostering diversity in technical leadership in the Internet industry in Southeast Asia

CHAIR'S REPORT

ON BEHALF OF THE BOARD OF THE APNIC FOUNDATION, I AM PLEASED TO PRESENT OUR FOURTH ANNUAL REPORT AND MY FIRST AS CHAIR.

At the end of a very difficult year for everyone, especially those who have suffered directly from COVID, I would like to thank those who have supported the Foundation and wish everyone affected by the pandemic a speedy and complete recovery.

I would also like to thank my fellow **Board members** – Efie Sumarlin, Edward Tian, Sharad Sanghi, Jun Murai and Danish Lakhani — for their support and for the honour of appointing me Chair at our 2020 Board meeting in May (2020) held — of course — on Zoom. I would also like to recognize the continuing support of APNIC under the leadership of Director General Paul Wilson.

Despite the impact of COVID, the Board managed to meet twice in 2020. Our regular annual meeting was held on 2 May where we approved the annual accounts and received our first briefing on the **Asia Pacific Internet Development Trust**. A second Board meeting was held on 2 November to discuss engagement with the Trust in 2021.

This Annual Report provides the Foundation's full audited accounts for 2020 approved by the Board, which I am pleased to note comes with an unqualified opinion from the auditors. It also provides detailed information on Foundation activities. While all the Foundation's projects were forced online by COVID lockdowns, the Foundation was able to maintain its strong focus on technical training for the Internet community. As an Australian, it is particularly pleasing to see the Foundation

maintain its commitment to the Pacific. As the region gains new submarine cables and satellites, its technical workforce is embracing new training and technical assistance. Following on from the Foundation's PNG training project, the Pacific training project continues to provide much needed training opportunities for technical communities in Fiji, Samoa, Solomon Islands, Tonga and Vanuatu.

This year, I was particularly impressed by the Foundation's success in engaging important new donors. The Trust is an outstanding example of the type of well-resourced and committed donor the Foundation needs to continue and grow its important mission. The projects that are being supported by the Trust not only respond directly to the technical needs and priorities of the Asia Pacific, but do so with funding that is substantial enough to make a real difference. I am confident the Foundation will be able to build a strong and enduring relationship with the Trust that will greatly benefit the Foundation's mission "to increase investment in Internet development in the Asia Pacific region" which, in turn, supports our vision for a "global, open, stable and secure Internet that is affordable and accessible to the entire Asia Pacific community". Both play a vital role in the continuing, successful development of the Internet in the region.

I also want to thank the APNIC Executive Council (EC) and its Chair Gaurab Raj Upadhaya for their continued support. It is their vision for the Foundation and the resources they have provided

that have underpinned our success. APNIC's reputation and its trusted and reliable networks across the Asia Pacific are crucial to the Foundation's success.

Finally, I offer my sincere thanks to the staff of the Foundation for their hard work and support. I would also like to recognize and thank the many staff at APNIC who I know have contributed to the success of the Foundation via their own individual efforts. Most importantly of all, I would like to recognize and thank the Foundation's small but growing list of donors, including the Australian Government's Department of Foreign Affairs and Trade (DFAT); the New Zealand Government's Ministry of Foreign Affairs and Trade (MFAT); Japan's KDDI Foundation and the Japan Network Information Center (JPNIC) and, of course, APNIC. Thank you for all for your support, vision, and leadership. We look forward to working with you all again.



Michael Malone



CEO'S/EXECUTIVE DIRECTOR'S REPORT

2020 WILL, OF COURSE, BE REMEMBERED AS THE YEAR OF COVID. THE PANDEMIC AFFECTED EVERYONE IN THE ASIA PACIFIC, MANY TRAGICALLY.

On behalf of the Foundation, I would like to extend my condolences to all those in our community who either suffered from the virus or whose lives were impacted in any way. With little sign of the pandemic ending by December 2020, we can only wish for better times in 2021.

For the Foundation, 2020 was obviously a challenging year. While we were able to continue our project work, like everyone else we were forced to shift all our training and community work to a virtual format. Fundraising was particularly challenging, but by the end of the year we were fortunate to be working with an exciting new donor that looks set to play an important role in the Foundation's future development.

Looking at our projects in 2020, there were two important themes. The first was a continued strong focus on providing technical training to the region. After a successful and extensive community consultation in 2019 across five Pacific economies, this year we responded to the communities providing virtual training sessions in Fiji, Solomon Islands, Samoa, Tonga and Vanuatu. The Pacific training (PACtraining) project followed the PNG training project, which ended its training activities this year. In addition to the events in Papua New Guinea (PNG), the project invited and sponsored the most committed trainees that attended and completed the highest number of workshops to travel and participate at the workshop of their choosing at APNIC 46 in Noumea, New Caledonia (four sponsored participants), and APRICOT 2020 in Melbourne, Australia (seven sponsored participants). Led by the community engagements, the project

has been the single largest technical training and assistance effort at the national level in the history of APNIC.

The second important theme was a stronger focus on supporting greater diversity in the region's technical community, funded by the Australian Government's Cyber and Critical Tech Cooperation Program. The project — which will continue in 2021 — is providing training and mentoring to support professional and leadership development for 72 women and LGBTQI+ network engineers in the economies of Cambodia, the Philippines, Thailand and Viet nam. Not only is it the Foundation's first diversity project, but it is also our first time operating in these four economies.

We were also pleased to provide USD 30,000 in support to four worthy recipients under the Information Society Innovation Fund's (ISIF Asia) long running grants program. The funding went to the following initiatives:

1. Open Lawful Intercept for Asia Pacific: University of Waikato, New Zealand
2. IPv6 Deployment at Enterprises: India Internet Engineering Society, India
3. Collaborative Honeynet Threat Sharing Platform: Swiss German University, Indonesia
4. Experiment and improve reinforcement learning algorithms to enhance anomalous network behaviour detection: TeleMARS Pty Ltd, Australia

I should also note one small but exciting new partnership with the JPNIC who provided just over USD 20,000 in funding to support the continued deployment of **Resource Public Key Infrastructure (RPKI)**. Also known as Resource Certification, this project supports improved security for the Internet's Border Gateway Protocol (BGP) routing infrastructure — one of APNIC's most important goals.

This report covers all these activities and more. I encourage you to take a moment to read what is here so you can better understand the work of the Foundation and its achievements.

Last year, I highlighted the importance of the Foundation's ability to retain strong existing donors such as the Australian Government's Cyber and Critical Tech Cooperation Program. This year, I am very pleased to report the Foundation's successful engagement with a major new donor, the Asia Pacific Internet Development Trust. The Foundation is named on the Trust website as project partner, confirming the strength of this new relationship. In October, work began on a major portfolio of new projects that will be supported by the



CEO'S/EXECUTIVE DIRECTOR'S REPORT

Trust in 2021. Funding for these projects will support very significant Foundation growth next year.

Throughout this difficult year, the Foundation has received continued strong support from its Board. At the annual May meeting, Board Chair Efi Sumarlin stepped down and Michael Malone was appointed to take her place. I would like to recognize the important contribution Efi has made as the Foundation's inaugural Chair and thank her for her support and leadership. She has graciously agreed to continue to serve on the Board. I would also like to welcome Michael as the incoming Chair. The Board still has one position to fill and we look forward to the EC's nomination.

Finally, I would like to recognize and thank the Foundation's small team led by our Head of Programs Sylvia Cadena. Giving her wonderful support has been Cathlene Corcoran, who joined the Foundation full time this year. For our projects, the support of APNIC's Infrastructure and Development team led by Che-Hoo Cheng is essential. A special thank you goes to Training Delivery Manager Tashi Phuntsho and his team and Training Curriculum Manager Peter Blee and his team. Key support in finance was

provided by Irene Chan; in legal by Craig Ng; and in Human Resources by Louise Tromp and her team.

Despite a very challenging year, the APNIC Foundation ended 2020 in a very strong position. Not only has it built a strong track record in project management and delivery, but it successfully engaged a major new donor. Looking ahead, we will be working to engage more widely and deeply with donors and investors supporting the Internet's technical development in the Asia Pacific, especially those who share the Foundation's Vision and Mission.



Duncan Macintosh

HOW THE FOUNDATION WORKS

We support these activities

 **Technical Training and Assistance**

 **Community Development**

 **Grants and Awards**

 **Internet Infrastructure**

 **Research and Collaboration**

To strengthen these communities

Network Engineers

Security Professionals

Internet Governance Specialists

To achieve these goals

GLOBAL

OPEN

AFFORDABLE

ACCESSIBLE

STABLE

SECURE



ABOUT APNIC – THE REGISTRY

As the Regional Internet address Registry (RIR) for the Asia Pacific, APNIC has been dedicated to the development of an open, stable and secure Internet in the region for 25+ years. A non-government, not-for-profit, membership-based organization, it is one of five RIRs worldwide responsible for managing the critical number and addressing resources (IPv4 and IPv6 addresses and Autonomous System Numbers) that are essential to the operation of the Internet.

Serving 56 economies in the Asia Pacific that together account for more than half of the world's population, and where most of global Internet development activity will occur in the years ahead, APNIC supports over 18,000 network operators, including ISPs, data centres, enterprises and universities who together are building and maintaining the region's Internet infrastructure.



2020 ACTIVITY REPORT

CORPORATE

The Foundation's first 2020 Board meeting and Annual General Meeting (AGM) was held virtually on 2 May 2020. The Board approved the Foundation's audited financial statements; discussed a number of strategic initiatives; reviewed the Board membership criteria; and elected Michael Malone from Australia as Chair for the second 2020 Board meeting.

The Foundation's second 2020 Board meeting was held virtually on 28 November 2020. The Board discussed a number of strategic initiatives and reviewed the Board membership criteria.

PricewaterhouseCoopers Hong Kong was reappointed as the Company Secretary and auditors for the Foundation.

The Foundation engaged four National Coordinators based in the Philippines, Thailand, Cambodia and Viet Nam for the SWITCH SEA project.

Year	USD
2017	309,321
2018	731,162
2019	399,529
2020	457,900
Grand Total	1,897,912

FUNDING AND PROJECT HIGHLIGHTS

By December 2020, the Foundation had received almost USD 1.9 million in funding from donors including JPNIC APNIC, and the Australian government.

Following on from community consultations conducted in 2019, the Foundation continued its PACTRAINING project and delivered five training workshops. The impacts of COVID-19 meant these workshops needed to be conducted virtually, but attendance and satisfaction levels as indicated in survey responses pointed towards a very successful result.

The Foundation also worked with APNIC to develop a course catalogue for the APNIC Academy, due in part to the rapidly changing needs of the community during the pandemic. To date, the PACTRAINING project invested USD 314,717 into skills development in the Pacific across 2019 and 2020.

The changes brought about by the pandemic also affected the first phases of the SWITCH SEA project. Four training coordinators were recruited in this virtual era, which was a challenge in itself as they needed to all be skilled network operators, passionate about diversity and supporting LGBTIQ-friendly workplaces, and have a talent for capacity building. These four coordinators were recruited in 2020, putting the project on a strong footing as it moves ahead.

In its 12th year of operations, ISIF Asia awarded USD 120,000 to support network operations projects focused on network operations and research. Four grants of USD 30,000 were granted to projects that focused on stability and security. These included further development of two existing projects, in order to increase their reach and maximize their impact on the Asia Pacific.

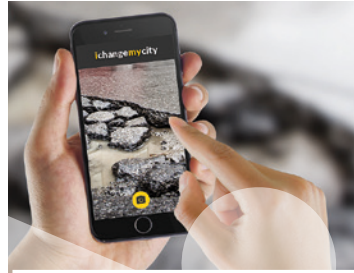


DNS and DNSSEC training workshop, Papua New Guinea, February 2020

INFORMATION SOCIETY INNOVATION FUND

ISIF Asia is the Foundation's longest running and most established program. Since it was founded in 2008, ISIF Asia has sponsored and nurtured entrepreneurs, researchers, community leaders and innovative thinkers that have made important contributions to the Internet's development in the Asia Pacific. Working with a range of donors and partners, the program has built a unique community of innovators that is unmatched in the region in terms of longevity and impact. With continuing support this year from APNIC, ISIF Asia's focus was on operational research and new ideas for powering Internet infrastructure.

Up until December 2020, ISIF Asia has supported 77 grants and 29 awards allocating over USD 3.58 million to 106 innovative initiatives across 24 economies. Funded projects have covered connectivity, reliable power supplies, network operations research and measurements, as well as applications around education, health, language preservation and localization, freedom of expression, open data, access for people with disabilities, and more. ISIF Asia has received 1,898 funding applications to date.



77
GRANTS



29
AWARDS



USD 3.58
MILLION



106
INNOVATIVE
INITIATIVES



24
ECONOMIES



2020 GRANT WINNERS

ISIF Asia has awarded **USD 120,000** to four organizations to support network operations research and development for the benefit of the region. Two open grant projects, from 2018 and 2019, were extended from previous years due to the ongoing impacts of the COVID-19 pandemic on project delivery.

A total of 16 proposals were received despite the narrower scope of the program, and from those, four grants of **USD 30,000** each were allocated to four research and development projects focused on the availability, reliability, and security of the Internet, with a particular focus on practical solutions around operational stability and security. Grant recipients were based in New Zealand, India, Indonesia and Australia.

IPv6 Deployment at Enterprises.
India Internet Engineering Society (IIESoc)
India.

Honeynet Threat Sharing Platform.
Swiss German University (SGU), Badan Siber & Sandi Negara (BSSN) and Indonesia Honeynet Project (IHP). Indonesia.

Experiment and improve reinforcement learning algorithms to enhance anomalous network behaviour detection.
TeleMARS Pty Ltd. Australia.

Open Lawful Intercept for Asia Pacific.
University of Waikato. New Zealand.

APPLICATIONS

16 proposals

FUNDING

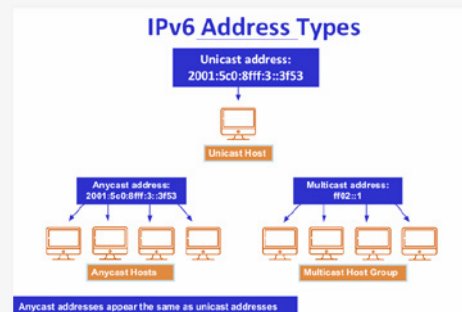
4 economies

2020 GRANT WINNERS

IPv6 Deployment at Enterprises.

India Internet Engineering Society (IIESoc)
India.

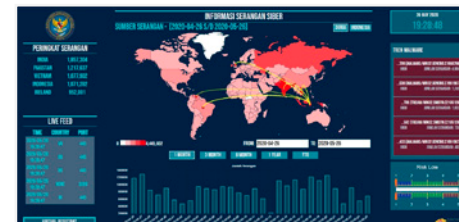
While ISPs in the Asia Pacific region have been reasonably strong adopters of IPv6, brick and mortar enterprises have lagged behind. Enterprises usually aren't experts in Internet standards and don't necessarily understand how or why IPv6 can help their business. The goal of this project was to conduct a series of training events to help enterprises understand the advantages as well as challenges that come with IPv6 adoption. IIESoc worked collaboratively with a nonprofit industry consortium in the United States, Industry Network Technology Council (INTC), to address the issue of IPv6 adoption at large brick-and-mortar enterprises in the Asia Pacific.



Honeynet threat sharing platform.

SGU, BSSN (Badan Siber & Sandi Negara) and
Indonesia Honeynet Project (IHP). Indonesia.

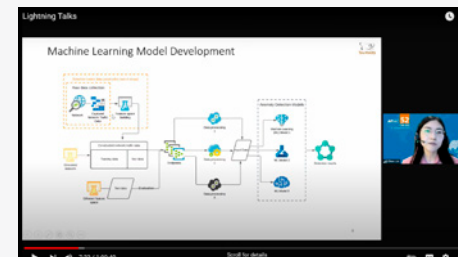
Honeypots are a decoy system designed to lure attackers in order to study their behaviour and understand the threat they pose. In 2019, this project established a honeynet threat sharing platform that collects, stores and adds contextual information of cybersecurity threats from a linked network of honeypots. In 2020, this project extended the design of the existing Honeynet Threat Sharing Platform to provide a broader range of honeypot support, a more complete threat database and threat correlation to allow organizations to easily share information with each other in a consistent format in ASEAN economies.



Experiment and improve reinforcement learning algorithms to enhance anomalous network behaviour detection.

TeleMARS Pty Ltd. Australia.

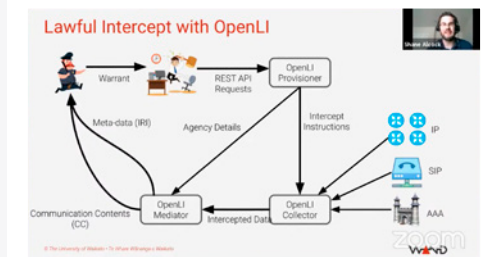
Machine Learning algorithms hold great promise in monitoring, analysing and detecting unusual traffic passing through devices and routers, which can help in a range of scenarios from security to traffic optimization. But it can be challenging to objectively determine the performance of machine learning tools and make objective comparisons. This project investigated how reinforcement learning algorithms such as GANs would perform against other Machine Learning algorithms such as classification, statistical and deep learning algorithms.



Open Lawful Intercept for Asia Pacific.

University of Waikato. New Zealand.

Lawful Interception (LI) involves the legally mandated interception of telecommunications. Governments and law enforcement agencies require it, but it's often left to network operators to figure out how to do that. Failure to comply can lead to hefty penalties. Open LI is the only open source software capable of meeting the requirements of the European Telecommunications Standards Institute (ETSI), which is the key set of standards required in the Asia Pacific. OpenLI was initially set up in 2018 in collaboration with New Zealand's Network Operator Group, NZNOG. In 2020, the project aimed to foster understanding and usage of LI in the broader Asia Pacific region to better help Asia Pacific network operators meet their legal obligations.



In 2020, the following ISIF Asia grantees were among those who published technical reports. To read the full reports, [visit the ISIF Asia site](#).

Establishment of a Carrier Neutral Software-Defined IXP
Lahore University of Management Sciences, Pakistan.
USD 30,000.

This project used recent advances in Software Defined Networking (SDN) to deploy a Software Defined IXP (SDX), enabling operators to use novel applications such as traffic redirection through middleboxes, inbound traffic engineering and application-specific peering.

Connecting the Unserved - Bhutan's First Trial with TV White Space (TVWS)
NANO, Bhutan.
USD 30,000.

This project conducted Bhutan's first trial with emerging TVWS technology to deliver broadband Internet access to remote, mountainous areas and determine its suitability for areas that have proven technically and commercially difficult to service.



Monks were among those who participated in the NANO TVWS project

HoneyNet Threat Sharing Platform
Swiss-German University, Indonesia.
USD 20,000.

The project linked together honeypot systems that gather data on malicious traffic, in order to create a honeynet network that could collect, store, add contextual information pertaining to the threat and share this information with relevant organizations. This report is on the earlier phases of the project, which also had subsequent phases.

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Hash: 1e87a5dba16588bf91144de1b34a524bc78c39c88bca63f79dd95d3087253d72
VirusTotal:
https://www.virustotal.com/gui/file/1e87a5dba16588bf91144de1b34a524bc78c39c88bca63f79dd95d3087253d72/details
Basic Static Analysis Information:
MD5 e7a3aa891e50834f9a4367a554e468
SHA-1 3896236840b3ea9712637410b101a3c8130532
SHA-256 1e87a5dba16588bf91144de1b34a524bc78c39c88bca63f79dd95d3087253d72
Vhash e1bf1b4fee876c5f234c3b8e125bf
SSDEEP 12288:F8XOvdwV1/4QFVWH/c1dHo4h9L+eNzrHUTeYf8EeP4LUuThIAG-F8k0nN/+Fhu/Qo49L+NNUBVEB/9l
File type ELF
Magic ELF 32-bit LSB executable, Intel 80386, version 1 (SYSV), statically linked, for GNU/Linux 2.6.9, not stripped
File size 611.20 KB (625867 bytes)

File Detection: 42 AV Engine confirmed the file is malware
Ad-Aware - Trojan.Linux.Linux.DDoS
Ahnlab-V3 - Linux/XorDdos.625867
AlYac - Trojan.Linux.Generic.29375
Antiy-AVL - Trojan[DDoS]/Linux.Xarcan.a
Arcabit - Trojan.Linux.Generic.072BF
Avast - ELF:XorDdos-E [Trj]
Avast-Mobile - ELF:XorDdos-I [Trj]
AVG - ELF:XorDdos-E [Trj]
Avira - LINUX/XorDdos.cona
BitDefender - Trojan.Linux.Generic.29375
ClamAV - Unix.Trojan.DDoS.XOR-1
Comodo - Malware@189f462d8jk
Cyren - E32/Trojan.TPH-2
DrWeb - Linux.DDoS.Xor-4
Emsisoft - Trojan.Linux.Generic.29375 (B)
escan - Trojan.Linux.Generic.29375
ESET-NOD32 - A Variant Of Linux/XorDdos.C
F-Secure - Malware.Linux/XorDdos.cona
FireEye - Trojan.Linux.Generic.29375
Fortinet - ELF/DDoS.BHltr
GData - Trojan.Linux.Linux.DDoS
Ikarus - Trojan.Linux.DDoS
Jiangmin - Trojan.DDoS.Linux.ff
Kaspersky - HEUR:Trojan.DDoS.Linux.Xarcan.a
MAX - Malware (ai.Score=100)
MaxSecure - Trojan.Malware.5592281.susgen
McAfee - Linux/DDoS.Xor.A
Microsoft - Backdoor:Min32/Berbeb
NANO-Antivirus - Trojan.ELF32.Xarcan.eftmox
Panda - ELF/XorDdos.A
Qihoo-360 - Linux/Trojan.DDoS.991
Rising - Trojan.DDoS-Xor/Linux11.A3E4 (CLASSIC)
Sangfor - Malware
SentinelOne - DEI - Malicious ELF
Sophos AV - Linux/DDoS-BH
Symantec - Linux.XorDdos
Tencent - Trojan.Linux.XorDdos.a
TrendMicro - ELF_XORDDOS.SM
TrendMicro-HouseCall - ELF_XORDDOS.SM
VirusBot - Trojan.Linux.XorDdos.B
Zillya - Trojan.XorDdos.Linux.34
ZoneAlarm - HEUR:Trojan.DDoS.Linux.Xarcan.a

Using VirusTotal graph, we can view other files found in the IP address 98.159.99.217 as shown in the graph below.
https://www.virustotal.com/graph/mbed/g8r06e7a27274a959817a709230c95D3a787bc9fa04f888d34ac0511697

The list of the files found in the same IP address are:
https://98.159.99.217/21, https://98.159.99.217/8080, https://98.159.99.217/3307,
https://98.159.99.217/3308/, https://98.159.99.217/8080/, https://98.159.99.217/3308,
https://98.159.99.217/23, https://98.159.99.217/

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COMMUNITY NETWORKS
Ongoing support of CNX APAC

ISIF Asia's support to the Community Networks Exchange Asia Pacific (CNX APAC) event series continued for the fourth consecutive year. ISIF Asia provided USD 5,000 sponsorship. Due to the COVID-19 pandemic, the event was held virtually from 20 November to 4 December 2020.

SELECTED FOUNDATION PROJECTS

Pacific technical training project

Project title:
Supporting Efficient Internet
Connectivity in the Pacific
(PACTRAINING)



Dates
2019 – 2021



Donors
Department of Foreign
Affairs and Trade (AU)



Economies
Fiji, Samoa, Solomon Islands,
Tonga, and Vanuatu



Amount
USD 336,000

Since 2019, the PACTRAINING project has been developing the technical skills of the Pacific community via workshops and training sessions, while providing ongoing support to participants. In 2020, the COVID pandemic made it necessary to shift the focus to online training.

This involved converting all face-to-face community activities and training workshops to virtual activities. Particularly important for the Pacific communities was the introduction of a Learning Pathways Guide (based on the new Course Catalogue) as this allowed trainees for the first time to map their personal technical knowledge/skills to a specific learning pathway.

Course materials were adapted and work began on developing two new course manuals to be incorporated into future PACTRAINING workshops.

Members of the technical communities in four of the five economies were supported through five blended learning courses based on new training resources on the APNIC Academy (freely available to the technical communities of the five Pacific economies). All the resources are self-paced and available 24/7 beyond the duration of the project. The five courses were facilitated online by APNIC trainers. 94% of participants expressed a high degree of satisfaction with training content and delivery.

IMPACT IN NUMBERS

1

Community consultation

1

Training plan developed in response to community needs and adapted for online delivery

5

Online courses

157

Participants
(24 women)

79

Certificates awarded in total including
14 awarded to women

39

Organizations supported

SWITCH SEA

Project title:

SWITCH SEA: Fostering diversity and gender empowerment in technical leadership of the Internet industry in Southeast Asia



Dates

2020-2021



Donors

Department of Foreign Affairs and Trade (AU)



Economies

Cambodia, Thailand, Philippines, and Viet Nam



Amount

USD 336,000

Launched in 2020, the SWITCH SEA project quickly had to adapt to the realities of a COVID world. Getting this adaptation right hinged on finding the right coordinators who were both passionate about diversity as well as skilled network operators. Aside from a technical understanding of network operations, they needed to have a talent for building capacity and advocating for more inclusive workplaces for LGBTQI+ technical staff.

Another challenge was to engage organizations in the community consultation due to the impact COVID-19 has had in the region, as many organizations had frozen their involvement in any new/international activities. The APNIC Foundation also had to adjust its own approaches to ensure the success of the project, as commitments that were to be delivered face-to-face required considerably more preparation when transferred to a fully online environment.

In 2020, the SWITCH SEA project successfully laid down the foundations for ongoing capacity building, despite these many varied challenges.

IMPACT IN NUMBERS



Project establishment document, Monitoring Evaluation and Learning Plan



National Coordinators recruited



Community Consultation designed and translated to **4 languages**



FOUNDATION BOARD



Mr Michael Malone

Board Chair (Australia)

Mr Michael Malone founded iiNet Limited, an Australian Stock Exchange (ASX) listed telecommunications company in 1993 and continued as CEO until his retirement in 2014. By this time, iiNet had over 2,500 staff, serving over a million Australian households and businesses.

Mr Malone is currently Chair of the Board of Australian Stock Exchange-listed Superloop Ltd and Sky and Space Global, as well as a director of Australia's wholesale-only, open-access broadband network NBN Co. Ltd, Seven West Media, Speedcast International and Axicom. He is also the founder and Chairman of Diamond Cyber Pty Ltd. Mr Malone was previously a founder and Deputy Chair of the non-profit Autism West.



Ms Sylvia Efie Sumarlin

(Indonesia)

Ms Sylvia Efie Sumarlin is Chair of the Federasi Teknologi Informasi Indonesia (the Indonesian Information Technology Federation (FTII)). The FTII represents 14 professional IT associations. In this role, she leads efforts to advise the government on a national ICT roadmap and regulations that encourage the use of ICT, promote local IT industries to other economies in the Asia Pacific, develop cooperation with international partners, and provide education to enhance the knowledge of ICT professionals.

Ms Sumarlin's involvement in the Internet began in 1995 when she established and led Dyviacom Intrabumi (DNET), one of Indonesia's first ISPs. Ms Sumarlin acquired a Bachelor of Arts (BA) degree (Economics) from Syracuse University, in 1986. After that, in 1989, she earned two Master of Arts degrees in International Relations and Economics from Syracuse University.



Mr Danish A Lakhani

(Pakistan)

Mr Danish A Lakhani is the cofounder and CEO of Cyber Internet Services Pvt Ltd (Cybernet) — a pioneering ISP in Pakistan — and RapidCompute, Pakistan's first public cloud service provider. Over the past decade, Mr Lakhani has led Cybernet's renewed focus in the enterprise, carrier and consumer market segments while building the company's low latency, fibre-based metro and access networks in multiple Pakistani cities.

Mr Lakhani holds a Master of Business Administration from Harvard Business School and a Master's of Science in Electrical Engineering (with a specialization in Networked Systems) from Stanford University. He earned his Bachelor of Science (Applied Mathematics – Computer Science and Business Economics) from Brown University where he was elected to Sigma XI (Scientific Research Honors Society).



Prof. Jun Murai

(Japan)

Prof. Jun Murai is known as the ‘father of the Internet’ in Japan. In 1984, he developed the Japan University UNIX Network (JUNET), the nation’s first ever inter-university network. In 1988, he founded the Widely Integrated Distributed Environment (WIDE) Project, a Japanese Internet research consortium. He is a professor of the Faculty of Environment and Information Studies at Keio University, from which he earned his Ph.D in computer science in 1987.

In 2013, he was inducted into the Internet Hall of Fame (Pioneer category). Prof Murai also served as President of JPNIC and as Vice President of the Japanese Internet Association. He was appointed to the Internet Society’s Board of Trustees from 1997 to 2000 and in 1998, he was appointed as one of nine initial directors of the Internet Corporation for Assigned Names and Numbers (ICANN) and served until June 2003.

He won the 2005 Internet Society’s Jonathan B. Postel Service Award in recognition of his vision and pioneering work that helped spread the Internet across the Asia Pacific region. He was also honoured with the 2011 Institute of Electrical and Electronics Engineers Internet Award.



Mr Sharad Sanghi

(India)

Mr Sharad Sanghi is the Managing Director and CEO of Netmagic, a firm that he founded in July 1998, and is now an NTT Communications Company. Mr Sanghi is responsible for growing Netmagic into India’s leading managed hosting and cloud service provider, with over 1,100 employees and 9 data centres delivering services to over 2,000 enterprise customers across the globe.

Mr Sanghi is a pioneer in the Indian cloud computing space, and his vision has helped Netmagic become a leader in the public cloud services market in India. Mr Sanghi is an Electrical Engineer from IIT Bombay and a holder of a Masters degree from Columbia University.



Mr Tian Suning, (Edward) Ph.D

(China)

Mr Edward Tian is the founder and Chairman of China Broadband Capital Partners, LP (CBC). CBC Capital was formed in May 2006. Before Mr Tian founded CBC Capital, he was the Vice Chairman and CEO of China Netcom Group from Nov 2002 to May 2006. He was the CEO of China Netcom Company Ltd from Aug 1999 to May 2002. Mr Tian was also the Vice Chairman of PCCW Ltd. from 2005 to 2007. Before joining China Netcom, Mr Tian was the co-founder and CEO of AsiaInfo Holding Inc. the first Internet technology provider in China.

Mr Tian holds a Ph.D in Natural Resource Management from Texas Tech University.

FOUNDATION STAFF



Duncan Macintosh

CEO and Executive Director

After three years as APNIC's Development Director, Duncan was appointed the founding CEO and Executive Director of the APNIC Foundation in April 2017. As CEO, he leads efforts to support and advance the APNIC Development Program and the Internet's technical development in the Asia Pacific region. The Foundation is focused on supporting professional development in the APNIC community, particularly among the network engineers who are building and running the Internet in the Asia Pacific.

Before joining APNIC in 2014, Duncan spent more than 20 years working in development, technology and media in Asia including time in Hong Kong, Thailand and the Philippines. He has developed and established foundations in Singapore and Hong Kong and has extensive experience in innovation and global development and capacity building.

At the APNIC Foundation, Duncan leads efforts to engage and collaborate with development agencies, foundations, philanthropists and the private sector. Before joining APNIC, he founded and led foundations for one of Asia's leading research organizations (and an APNIC Member), the International Rice Research Institute.



Sylvia Cadena

Head of Programs and Partnerships

After ten years managing the Information Society Innovation Fund (ISIF Asia) at APNIC, Sylvia was appointed Head of Programs at the APNIC Foundation in December 2016. As Head of Programs and Partnerships, Sylvia works on the management, design and implementation of collaborative programs and projects to expand APNIC Foundation activities in the region including the ISIF Asia program, one of the region's most established Internet development programs, as well as the Seed Alliance, which supported innovative Internet development across the global south.

Over her 25 years of experience in Internet development in Latin America and the Asia Pacific, Sylvia's work has focused on the strategic use of the Internet for development with an emphasis on capacity building and infrastructure deployment.

She has served in many selection committees and working groups focused such as the Multistakeholder Advisory Group of the Internet Governance Forum appointed by the UN Secretary General, the ICANN CCWG on new gTLD auction proceeds, the APriGF Multistakeholder Steering Group and the Policy Network on Meaningful Access among others.



Cathlene Corcoran

Business Services Coordinator

With over 16 years' experience in administration, Cathlene joined APNIC and the APNIC Foundation in a Business Services Coordinator role in October 2019. She provides administration and operational support. Cathlene coordinates training workshops within the Asia Pacific region, liaises with stakeholders to identify the requirements for the training facilities, provides travel plans, and ensures correct data entry and allocation of costs for donor funding.

Report of Board of Directors

The directors submit their report together with the audited financial statements of APNIC Foundation Limited (the "Company") for the year ended 31 December 2020.

Principal activities

The principal activities of the Company are to advance education in technical, operational and policy matters relating to Internet infrastructure, through undertaking or funding activities in the Asia Pacific region.

Business review

No business review is presented for the year ended 31 December 2020 as the Company is able to claim an exemption under section 388(3) of the Hong Kong Companies Ordinance (Cap. 622) since it falls within the reporting exemption.

Results

The results of the Company for the year are set out in the statement of comprehensive income on page 7.

Directors

The directors during the year and up to the date of this report are:

Sylvia Efie Widiantari SUMARLIN
Suning TIAN
Sharad Kumar SANGHI
Danish Ali LAKHANI
Michael Martin MALONE
Jun MURAI

In accordance with Article 62 of the Company's Articles of Association, the directors of the Board shall be elected annually at the Annual General Meeting of the Company so that each director of the Board shall retire at the Annual General Meeting following his or her appointment, but may be eligible for re-election.

Directors' material interests in transactions, arrangements and contracts that are significant in relation to the Company's business

No transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or

indirectly, subsisted at the end of the year or at any time during the year.

Directors' interests in the shares and debentures of the Company or any specified undertaking of the Company

At no time during the year was the Company a party to any arrangement to enable the directors of the Company to hold any interests in the shares in, or debentures of, the Company or its specified undertakings.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Permitted indemnity provisions

In accordance with Memorandum and Articles of Association of the Company, the directors shall be indemnified out of the assets of the Company against any liabilities incurred by them in relation to the Company in defending any proceedings, whether civil or criminal, in which judgement is given in their favours.

Other than mentioned above, at no time during the financial year and up to the date of this directors' report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Company (whether made by the Company or otherwise) or an associated company (if made by the Company).

Auditor

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



Michael Martin MALONE
Director

14 May 2021

Independent Auditor's Report to the Member of APNIC Foundation Limited (Incorporated in Hong Kong and limited by guarantee)

Opinion

What we have audited

The financial statements of APNIC Foundation Limited (the "Company") set out on pages 22 to 25, which comprise:

- the balance sheet as at 31 December 2020;
- the statement of comprehensive income for the year ended 31 December 2020;
- the statement of changes in fund for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year ended 31 December 2020 in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKASs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the HKICPA's Code of

Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the

Company or to cease operations, or have no realistic alternative but to do so.

The responsibility of the directors include overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order

to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



PricewaterhouseCoopers
Certified Public Accountants
Hong Kong

14 May 2021

BALANCE SHEET

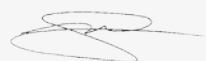
(All amounts in United States dollars unless otherwise stated)

		As at 31 December	
Assets	Note	2020	2019
Current assets			
Other receivables	5	-	7,910
Amount due from the sole member	6	4,558	64,560
Cash and cash equivalents	7	542,759	342,018
Total assets		547,317	414,488
Fund			
Accumulated fund		36,442	(27,658)
Total fund		36,442	(27,658)
Liabilities			
Current liabilities			
Amount due to the sole member	6	-	72,690
Accruals	8	141,706	89,048
Deferred income on specific donations	9	369,169	280,408
Total liabilities		510,875	442,146
Total fund and liabilities		547,317	414,488

The above balance sheet should be read in conjunction with the accompanying notes.

The financial statements on pages 23 to 26 were approved by the Board of Directors on and were signed on its behalf.

14 May 2021



Michael Martin MALONE
Director



Danish Ali LAKHANI
Director

STATEMENT OF CHANGES IN FUND

(All amounts in United States dollars unless otherwise stated)

		Accumulated fund
Balance at 1 January 2019		(22,557)
Total comprehensive loss		
Deficit for the year		(5,101)
Other comprehensive income		-
Balances at 31 December 2019 and 1 January 2020		(27,658)
Total comprehensive income		
Surplus for the year		64,100
Other comprehensive income		-
Balance at 31 December 2020		36,442

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF COMPREHENSIVE INCOME

(All amounts in United States dollars unless otherwise stated)

		As at 31 December	
Revenue	Note	2020	2019
General donation income from the sole member		519,641	531,971
Specific donation:			
Donation income from Department of Foreign Affairs and Trade ('DFAT')	9	225,729	299,719
Donation income from the sole member			
▪ The Information Society Innovation Fund (ISIF Asia)	9	117,814	93,681
▪ ISIF Research	9	-	24,237
▪ ISIF Asia Program Fund	9	5,373	6,534
Donation income from International Development Research Centre ('IDRC')	9	-	40,050
Donation income from Internet Society ("ISOC")	9	-	6,670
Donation income from The Asia Foundation ('TAF')	9	-	174,877
Interest income		44	635
Total revenue		868,601	1,178,374
Expenditure			
Programme expenses		(348,916)	(645,768)
Administrative expenses	10	(519,737)	(532,606)
Net exchange gain/(losses)		64,152	(5,101)
Total expenditure		(804,501)	(1,183,475)
Surplus/(deficit) for the year		64,100	(5,101)
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) for the year		64,100	(5,101)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

(All amounts in United States dollars unless otherwise stated)

		Year ended 31 December	
Cash flows from operating activities	Note	2020	2019
Surplus/(deficit) for the year		64,100	(5,101)
Change in working capital:			
▪ Other receivables		7,910	(4,727)
▪ Amount due from the sole member		60,002	52,365
▪ Amount due to the sole member		(72,690)	54,574
▪ Accruals		52,658	24,305
▪ Deferred income on specific donations		88,761	(267,443)
Net cash inflow/(outflow) from operating activities		200,741	(146,027)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		342,018	488,045
Cash and cash equivalents at end of the year	7	542,759	342,018

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of Changes in Fund

(All amounts in United States dollars unless otherwise stated)

1 General information

The principal activities of APNIC Foundation Limited (the “Company”) are to advance education in technical, operational and policy matters relating to Internet infrastructure, through undertaking or funding activities in the Asia Pacific region.

The Company is incorporated under the Hong Kong Companies Ordinance as a company limited by guarantee and not having a share capital. The address of its registered office is 21/F Edinburgh Tower, The Landmark, 15 Queen’s Road Central, Hong Kong.

Under the provisions of the Company’s Memorandum and Articles of Association, every member shall, in the event of the Company being wound up, contribute to the assets of the Company to the extent of HK\$100. At 31 December 2020, the Company had 1 (2019: 1) member, APNIC Pty Inc.

These financial statements are presented in United States dollars unless otherwise stated.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”), which collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards (“HKAS”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong, and the requirements of the Hong Kong Companies Ordinance. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. In the opinion of the directors, there are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

a) New and amended standards and interpretations to existing HKFRS (collectively, the “Amendments”) adopted by the Company

The Company has applied the following Amendments for the first time for its annual reporting period commencing on 1 January 2020:

HKAS 1 and HKAS 8 (Amendments)	Definition of Material
HKFRS 3 (Amendment)	Definition of a Business
HKFRS 9, HKAS 39 and HKFRS 7 (Amendments)	Interest Rate Benchmark Reform
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting

The adoption of these Amendments did not have any material impact on the amount recognized in current period or any prior periods and is not likely to affect future periods.

b) Amendments that are not yet effective and have not been early adopted by the Company

Certain Amendments have been published that are mandatory for the Company’s reporting periods commencing on or after 1 January 2021 and they have not been early adopted in these financial statements.

HKFRS 16 (Amendment)	Covid-19-Related Rent Concessions ¹
HKFRS 3 (Amendment)	Reference to Conceptual Framework ²

HKAS 16 (Amendment)	Property, Plant and Equipment: Proceeds before intended use ²
HKAS 37 (Amendment)	Onerous Contracts - Cost to Fulfilling a Contract ²
Annual improvements project	Annual improvements to HKFRSs 2018-2020 cycle ²
HKFRS 17	Insurance Contracts ³
HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current ³
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

Note:

- Effective for the Company’s financial period beginning on 1 January 2021
- Effective for the Company’s financial period beginning on 1 January 2022
- Effective for the Company’s financial period beginning on 1 January 2023
- Effective for the Company’s financial period beginning on or after a date to be determined

The Company has already commenced an assessment of the impact of these Amendments. According to the preliminary assessment made by the directors, no significant impact on the financial performance and position of the Company is expected when they become effective.

2.2 Financial assets

(a) Classification

The Company classifies its financial assets as those to be measured at amortised cost. The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

(b) Recognition and derecognition

Regular way purchases and sale of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(c) Measurement

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are subsequently measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in comprehensive income and presented in other gains/ (losses). Impairment losses are presented as separate line item in the statement of comprehensive income.

(d) Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other financial assets at amortised cost, the Company has assessed that the expected credit losses for these receivables are not material under the 12 months expected losses method. Thus no loss allowance provision was recognised at 31 December 2020 (2019: nil).

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The financial statements are presented in United States dollars, which is the Company’s functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period-end exchange rates are generally recognised in profit or loss.

2.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet where the Company currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Company has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

2.5 Receivables

Receivables are amounts due from donors for services performed in the ordinary course of business. If collection of receivables is expected in one year or, they are classified as current assets. If not, they are presented as non-current assets.

Receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the receivables with the objective to collect the contractual cash flow and therefore

measures them subsequently at amortised cost using the effective interest method, less provision for impairment.

2.6 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts, if any.

2.7 Payables

Payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.8 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.9 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Employee entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

(b) Bonus plans

The expected cost of bonus payments is recognised as a liability and an expense when the Company has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

2.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.11 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for the Company's activities, as described below.

Donation income for general purpose is recognised as income in profit or loss when received or the right of collection is established.

Donation income for specific purposes are recognised at fair values when there is a reasonable assurance that the Company will comply with the conditions attaching to it and that the amount will be received.

Specific donation income relating to costs that they are intended to compensate are deferred and recognised in profit or loss over the period necessary to match these costs.

Interest income is recognised on a time-proportion basis using the effective interest method.

3 Financial risk and fund risk management

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks factors: foreign exchange risk, credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management procedures focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Company's financial performance.

(a) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign currency exchange fluctuations arising from various currency exposures created in the normal course of business, primarily with respect to Hong Kong dollar and Australian dollars.

As Hong Kong dollar is reasonably stable with the United States dollar under the Linked Exchange Rate System, the directors are of the opinion that the Company does not have significant foreign exchange risk. In addition, the foreign exchange risk arising from Australian dollars is not significant as the net balance denominated in Australian dollars is minimal. Accordingly, no sensitivity analysis is performed.

(b) Credit risk

Credit risk arises mainly from cash at bank and amount due from the sole member.

The Company's financial assets are subject to the expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial as they are mainly deposited in a reputable bank in Hong Kong.

Management considers the credit risk for the amount due from the sole member to be low taking into account the financial positions of and past payment history of the sole member.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(c) Liquidity risk

The liquidity of the Company is adequately managed and monitored by maintaining sufficient cash and cash equivalents and obtaining financial support from the sole member. Accordingly, the directors are of the opinion that the Company does not have significant liquidity risk.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	2020	2019
Less than one year		
Amount due to the sole member	-	72,690
Accruals (note 8)	141,706	89,048
	141,706	161,738

(d) Cash flow interest rate risk

The Company's interest rate risk mainly arises from the bank balances which carry interest at market interest rates. The directors are of the opinion that the interest income derived from the bank balances is insignificant to the Company's operation and accordingly, no sensitivity analysis is presented for cash flow interest rate risk.

3.2 Fund risk management

The Company's objectives when managing fund are to safeguard the Company's ability to continue as a going concern and to have sufficient funding for future operations.

The fund of the Company represents its accumulated fund.

3.3 Fair value estimation

No disclosure of fair value measurements by level of fair value hierarchy is required

in these financial statements as there are no financial instruments measured on such basis on the balance sheet.

The carrying values less impairment provision of receivables and payables are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

3-4 Offsetting financial assets and financial liabilities

No disclosure of the offsetting of financial assets and financial liabilities is made in these financial statements as there is no netting arrangement in place during the year.

4 Financial instruments by category

The Company holds the following financial instruments:

	2020	2019
Financial assets at amortised cost		
Other receivables	-	7,910
Amount due from the sole member	4,558	64,560
Cash and cash equivalents (note 7)	542,759	342,018
	547,317	414,488
Financial liabilities at amortised cost		
Amount due to the sole member	-	72,690
Accruals (note 8)	141,706	89,048
	141,706	161,738

The Company's exposure to various risks associated with the financial instruments is discussed in note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

5 Other receivables

As at 31 December 2019, no other receivables were past due.

The Company applied the HKFRS 9 simplified approach to measuring expected credit losses which used a lifetime expected loss allowance for other receivables. To measure the expected credit losses, other receivables had been grouped based on shared credit risk characteristics and the days past due.

As at 31 December 2019, the directors considered that the expected credit loss for other receivables were immaterial thus no loss allowance was made.

There was no impaired or default other receivables as at 31 December 2019. The Company did not hold any collateral over these balances.

Due to the short-term nature of the current receivables, their carrying amounts were considered to be same as their fair values as at 31 December 2019. The balance as at 31 December 2019 was denominated in Canadian dollars.

6 Amounts due from/(to) the sole member

The amounts with the sole member are unsecured, interest free and repayable on demand.

As at 31 December 2020 and 2019, the amount due from the sole member is not past due or impaired and no default history.

As at 31 December 2020 and 2019, the directors considered that the expected credit loss for amount due from sole member was immaterial thus no loss allowance was made (2019: nil).

The carrying values of amounts due from/(to) the sole member approximate their fair values as at 31 December 2020 and 2019. The amount due to the sole member is denominated in Australian dollars and the amount due from the sole member is denominated in the following currencies.

	2020	2019
Hong Kong dollars	17,415	21,834
Australian dollars	(12,857)	42,726
	4,558	64,560

7 Cash and cash equivalents

	2020	2019
Cash at banks, maximum exposure to credit risk	542,759	342,018

The carrying amounts of cash and cash equivalents as at 31 December 2020 and 2019 are denominated in the following currencies.

	2020	2019
United States dollars	20,300	9,312
Hong Kong dollars	17,016	17,019
Australian dollars	505,443	315,687
	542,759	342,018

8 Accruals

The carrying value of accruals approximates its fair value as at 31 December 2020 and is denominated the following currencies.

	2020	2019
United States dollars	82,459	39,099
Hong Kong dollars	17,415	21,834
Australian dollars	41,832	28,115
	141,706	89,048

9 Deferred income on specific donations

(a) Australian Department of Foreign Affairs and Trade (DFAT)

It represents funds donated by DFAT for the below activities:

- Activity of "Foster and support the development of national Computer Emergency Response Teams (CERTs) in the Asia Pacific, including by mentoring Tonga CERT" of which the purpose is to strengthen Internet security in the Asia Pacific Region;

- Activity of "Combating Cybercrime 'Safe havens': Building a Well-Informed and Trained Cyber Law Enforcement Community In The Pacific" with consulting security experts to structure plans to resolve cybercrime issues;

- Activity of "Developing the capability of the Papua New Guinea Computer Emergency Response Team" to strengthen Papua New Guinea's (PNG) and the Pacific's Internet security;

- Activities to support for Regional PNG Technical Network Management Training; and

- Activities to promote a peaceful, secure and stable online environment and improve cyber resilience in Vanuatu, Fiji, Tonga and Solomon Islands;

- Activities of "Fostering women's technical leadership in Internet industry in Southeast Asia" to support women engineers in Vietnam, Thailand, Philippines and Cambodia with knowledge and skills and opportunities to achieve employment and eventually senior management roles.

(b) APNIC Pty Ltd (The sole member) - The Information Society Innovation Fund (ISIF)

It represents funds donated by the sole member for the project of "Information Society Innovation Fund".

(c) The sole member- ISIF Research

It represents funds donated by the sole member for the development of an Internet research community to improve the availability, reliability and security of the

The sole member

	DFAT (note a)	ISIF (note b)	ISIF Research (note c)	ISIF Asia Program Fund (note d)	IDRC (note e)	ISOC (note f)	TAF (note g)	Total
As at 1 January 2019	179,535	81,370	24,237	49,022	32,140	6,670	174,877	547,851
Donation received	258,063	112,352	-	-	7,910	-	-	378,325
Recognised in profit or loss	(299,719)	(93,681)	(24,237)	(6,534)	(40,050)	(6,670)	(174,877)	(645,768)
At 31 December 2019 and 1 January	137,879	100,041	-	42,488	-	-	-	280,408
Donation received and receivable	316,151	121,526	-	-	-	-	-	437,677
Recognised in profit or loss	(225,729)	(117,814)	-	(5,373)	-	-	-	(348,916)
At 31 December 2020	228,301	103,753	-	37,115	-	-	-	369,169

Internet in Asia Pacific Region, and widen its coverage, applications and benefit for the community.

(d) The sole member- ISIF Asia Program Fund

It represents funds donated by the sole member for the project of "Asia Program Fund".

(e) International Development Research Centre (IDRC) Canada

It represents funds donated by IDRC for the project of "Gender Equality and Scaling Digital Innovation" of which the purpose is to scale-up digital innovation for projects focusing on gender equality and foster women's leadership in the Internet for development sector.

(f) The Internet Society (ISOC)

It represents funds donated by the Internet Society to support the Community Networks movement as a means to connect the unconnected through training, funding and community building.

(g) The Asia Foundation (TAF)

It represents funds donated by TAF for the project of "Technical Cyber Security, and Incident and Network Management Training" of which the purpose is to help to reduce national-level network inefficiencies and enhance the cybersecurity capabilities and Papua New Guinea.

10 Expenses by nature

	2020	2019
Auditor's remuneration	17,415	17,015
Employee benefit expenses (note 11)	445,369	389,718
Legal and professional fee	10,867	27,455
Travelling expenses	5,782	86,158
Others	40,304	12,260
Total expenditure	519,737	532,606

11 Employee benefit expense

	2020	2019
Salaries and wages	427,899	374,958
Bonus	17,470	14,760
Total employee benefit expenses	445,369	389,718

12 Benefits and interest of directors

The following disclosures are made pursuant to section 383(1)(a) to (f) of the Hong Kong Companies Ordinance (Cap. 622) and Parts 2 to 4 of the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G):

(a) During the year, no emoluments, retirement benefits, payments or benefits in respect of termination of directors' services (also represents key management compensation) were paid or made, directly or indirectly, to the directors; nor are any payable. No consideration was provided to or receivable by third parties for making available directors' services. There are no loans, quasiloans or other dealings in favour of the directors, their controlled bodies corporate and connected entities.

All directors are not paid directly by the Company but receive remuneration from the Company's sole member, in respect of their services to the larger related companies which includes the Company. No apportionment has been made as the qualifying services provided by these directors to the Company are incidental to their responsibilities to the larger related companies.

(b) No director of the Company had a material interest, directly or indirectly, in any significant transactions, arrangements and contracts in relation to the Company's business to which the Company was or is a party that subsisted at the end of the period or at any time during the year.

13 Income tax expense

No provision for Hong Kong profits tax has been made as the Company has no assessable profit for the year.

The tax on the Company's deficit for the year differs from the theoretical amount that would arise as follows:

	2020	2019
Surplus/(deficit) for the year	64,100	(5,101)
Calculated at a tax rate of 16.5%	10,577	(842)
Income not subject to tax	(10,592)	(105)
Expenses not deductible for tax purpose	-	842
Tax losses not recognised	15	105
Income tax expense	-	-

At 31 December 2020, the Company has no material unprovided deferred income tax. (2019: Nil)

14 Related party transactions

Other than disclosed elsewhere in the financial statements, during the year, no transactions were carried out with related parties.



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The monks of Simtokha Monastery participated in the ISIF Asia project to bring TV White Space technology to remote areas of Bhutan in 2018 and 2019.