

Asia Pacific Top Level Domain Association

Report of Factual Findings
for the year ended December 31, 2018

*Asia Pacific Top Level Domain Association
for the year ended December 31, 2018*

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To Asia Pacific Top Level Domain Association (“APTLD”):

Agreed-upon procedures in respect of APTLD’s revenue and operating expenses for the year ended 31 December 2018 and assets and liabilities as at 31 December 2018

Report of Factual Findings

1. Introduction

We have performed the procedures agreed with you and enumerated below in connection with APTLD’s revenue and operating expenses for the year ended 31 December 2018 (the “reporting period”) and assets and liabilities as at 31 December 2018 set forth in the accompany schedule. Our engagement was undertaken in accordance with Hong Kong Standard on Related Services 4400, “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information” issued by the Hong Kong Institute of Certified Public accountants (“HKICPA”). The procedures were performed solely to assist you in reporting the financial performance of APTLD for the reporting period and the financial position at the end of the reporting period to China Internet Network Information Center (“CNNIC”) as the secretariat of APTLD to fulfil CNNIC’s reporting obligation in accordance with clause 19.1 of the Constitution of APTLD. The procedures we performed are set out in section 2 and our factual findings are set out in section 3 of this report.

2. Procedures

- (i). Obtain the statement of financial performance for the reporting period and statement of financial position at the end of the reporting period prepared by management of APTLD and check the arithmetic accuracy of the total amounts contained therein;
- (ii). Obtain the general ledger of APTLD for the reporting period and account grouping prepared by management; calculate the subtotals of individual items of revenues and operating expenses in the general ledger based on the account grouping, and agree the calculated subtotals to the statement of financial performance for the reporting period.
- (iii). Obtain the breakdown of individual items of assets and liabilities of APTLD prepared by management and agree the individual items of assets and liabilities in the statement of financial position to the subtotal of individual assets and liabilities in the breakdown at the end of the reporting period;
- (iv). For individual revenue transaction recorded in the general ledger for the reporting period, obtain from management the underlying sales invoices and bank statements or bank transaction slips; agree the amount of individual revenue transactions recorded in the general ledger to the underlying documents provided by management;

Report of Factual Findings (Cont'd)

2. Procedures (Cont'd)

- (v). For individual operating expenses transactions recorded in the general ledger for the reporting period, obtain from management any of the following underlying documents in such order of priority: supplier invoices, fee agreements, purchase orders, supplier contracts, bank transaction slips and bank statements; agree the amount of individual operating expenses transactions recorded in the general ledger to the underlying documents provided by management;
- (vi). For bank balances with reconciling items as at the end of the reporting period, agree the amount of each bank balance recorded in the statement of financial position to the balance per ledger recorded in the respective bank reconciliation, and agree the amount of balance per bank statement recorded in the bank reconciliation to the respective bank statement at the end of the reporting period; for bank balance without reconciling items at the end of the reporting period, agree the amount of each bank balance recorded in the statement of financial position to the respective bank statement at the end of the reporting period;
- (vii). For individual account payable recorded in the breakdown of assets and liabilities at the end of the reporting period, obtain from management any of the following underlying documents in such order of priority: supplier invoices, fee agreements, supplier contracts and purchase orders; agree the amount of individual account payable recorded in the breakdown of assets and liabilities to the underlying documents provided by management;
- (viii). For individual income in advance balance recorded in the breakdown of assets and liabilities at the end of the reporting period, obtain from management the underlying sales invoices and underlying bank transaction slips or bank statements; agree the amount of individual income in advance balance recorded in the breakdown of assets and liabilities to the underlying documents provided by management.

3. Findings

We report our findings below:

- (a) With respect to item (i), the calculation of the statement of financial performance for the reporting period and statement of financial position at the end of the reporting period is found to be arithmetically accurate.
- (b) With respect to item (ii), the subtotal of individual items of revenue and operating expenses in the general ledger are found to be in agreement with the statement of financial performance for the reporting period;

Report of Factual Findings (Cont'd)

3. Findings (Cont'd)

- (c) With respect to item (iii), the subtotal of individual assets and liabilities in the breakdown are found to be in agreement with the individual items of assets and liabilities in the statement of financial position at the end of the reporting period;
- (d) With respect to item (iv), the amount of individual revenue transaction recorded in the general ledger for the reporting period is found to be in agreement with the underlying sales invoices and bank statements or bank transaction slips provided by management.
- (e) With respect to item (v), the amount of individual revenue transactions recorded in the general ledger for the reporting period is found to be in agreement with the supplier invoices fee arrangements, purchase orders, supplier contracts, bank transaction slips or bank statement provided by management;
- (f) With respect to item (vi), all bank balances without reconciling items, the amount of each bank balance recorded in the statement of financial position is found to be in agreement with the respective bank statement at the end of the reporting period;
- (g) With respect to item (vii), the amount of individual accounts payable balances recorded in the breakdown of assets and liabilities at the end of the reporting period is found to be in agreement with the supplier invoices, fee agreements, supplier contracts or purchase orders provided by management; and
- (h) With respect to item (viii), the amount of individual income in advance balances recorded in the breakdown of assets and liabilities at the end of the reporting period is found to be in agreement with the underlying sales invoices and bank transaction slips or bank statement provided by management.

Because the above procedures do not constitute an assurance engagement made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements, we do not express any assurance on the income statement for the year ended December 31, 2018.

Had we performed additional procedures or had we performed an assurance engagement of the financial statements in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, other matters might have come to our attention that would have been reported to you.

Report of Factual Findings (Cont'd)

3. Findings (Cont'd)

Our report is solely for the purpose in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties.

Flexkin & Co.
Flexkin & Co.
Certified Public Accountants (Practising)
Chong Kin Ho
Practising number: P04993

January 29, 2019

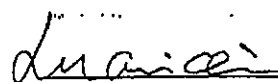
**Asia Pacific Top Level Domains Association
Statement of Financial Performance
For the Year Ended 31st December 2018
(Expressed in US Dollars)**

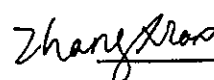
	This Year	Last Year
Membership Fees	255,350	251,000
Interest Received	866	6
Sponsorship	3,700	2,000
Total Revenue	<u>259,916</u>	<u>253,006</u>
Operating Expenses		
Audit Fees	1,340	4,772
Bank Charges	3,048	3,746
Engagement with International Organization	5,250	6,450
General Expenses	2,481	4,885
GM Salary	112,109	103,313
Meetings-APTLD	43,551	33,632
Professional Fees	10,562	417
Secretariat	14,006	23,099
Sponsorship	12,865	16,147
Travel	32,862	29,948
Website Revamp		15,500
Celebration for APTLD 20th anniversary	21,803	
FOREX Diff	- 16	95
Total Expenses	<u>259,862</u>	<u>242,004</u>
Revenue Collected Over Expenses Paid	<u>53</u>	<u>11,002</u>

Asia Pacific Top Level Domains Association
Statement of Financial Position
As At 31st December 2018
(Expressed in US Dollars)

Note	This Year	Last Year
Current Assets		
Bank-HSBC-HKD C/A	-	640
Bank-HSBC-HKD S/A	342.80	1,353
Bank-HSBC-USD S/A	629,287.72	580,516
Bank-HSBC-NZD S/A	5,620.65	754
Bank-HSBC-SGD S/A	403.04	411
Bank-HSBC-AUD S/A	416.30	702
Bank-HSBC-EUR S/A	445.61	278
Total Bank (Cash Deposits) 4	<u>636,516</u>	<u>584,654</u>
Prepayment	<u>18,779.46</u>	<u>11,743</u>
Total Current Assets	<u>655,296</u>	<u>596,397</u>
Current Liabilities		
Accounts Payable	1,340	1,346
Income in Advance	<u>173,050</u>	<u>114,200</u>
Total Current Liabilities	<u>174,390</u>	<u>115,546</u>
Net Book Value of Assets	<u>\$ 480,905</u>	<u>\$ 480,851</u>
Represented By:		
Operating Fund Balance	<u>\$ 480,905</u>	<u>\$ 480,851</u>

For and on Behalf of the Board

 Director

 Director

January 29, 2019 Date

Asia Pacific Top Level Domains Association
Statement of Fund Balances
For the Year Ended 31st December 2018
(Expressed in US Dollars)

	This Year	Last Year
<i>Opening Fund Balance</i>	480,851	469,849
Plus:		
<i>Revenue Collected over Expenses Paid</i>	53	11,002
	<u>480,905</u>	<u>480,851</u>
Operating Fund Balance, End of year	<u>\$ 480,905</u>	<u>\$ 480,851</u>

Appendix I

**Asia Pacific Top Level Domains Association
Notes to the Financial Statements
For the Year Ended 31 December 2018**

1. General

Persatuan Domain Peringkat Pertama Asia Pasifik (Asia Pacific Top Level Domain Association), is an organization for country code Top Level Domain registries in Asia Pacific region, originally established in 1998 and incorporated as a society on 19th February 2004 under registration number 0314-04-5, with an address at Unit L-5-3A Solaris Mont' Kiara, No. 2, Jalan Solaris, 50480 Kuala Lumpur, Malaysia ("APTLD").

APTLD works as the forum of information exchange regarding technological and operational issues of domain name registries in Asia Pacific region. Also, as an interface to other international internet coordinating bodies, APTLD fosters and elevates participation of Asia Pacific country-code level domains in the global fora, as well as acting in the best interest of APTLD members in the global internet policy making process. APTLD is based on membership, and its activities are funded by membership fees. In July of 2013, APTLD relocated its office from Hong Kong Internet Registration Corporation ("HKIRC") to China Internet Network Information Center ("CNNIC").

2. Basis of Presentation**Measurement Base**

The general accounting policies as appropriate for the measurement and reporting of results and the financial position and unless otherwise stated is historic cost.

The accompanying financial statements of APTLD have been prepared on the accruals basis.

3. Summary of Significant Accounting Policies**Revenue Recognition**

Membership incomes are recognised when the payments are received except income received for a future accounting period is treated as income in advance in the Statement of Financial Position.

4. Cash

As of 31 December all the cash of APTLD represents bank deposits.

**Asia Pacific Top Level Domains Association
Notes to the Financial Statements
For the Year Ended 31 December 2018**

ccTLD(country)	Membership Status	2018 Payment Completed	2017 Payment Completed
Members			
.ae (United Arab Emirates)	Band 4	3000	3,000
.af (Afghanistan)	Band 1	150	150
.au (Australia)	Band 10	25000	25,000
.cc (Cocos Island)	Band 5	5000	5,000
.cn (China)	Band 10	25000	25,000
.cx (Christmas Island)	Band 1	150	150
.fj (Fiji)	Band 2	750	750
.ge (Georgia)	Band 1	150	150
.hk (Hong Kong)	Band 7	10000	10,000
.id (Indonesia)	Band 3	2500	2,500
.in (India)	Band 7	10000	10,000
.ir (Iran)	Band 6	7500	7,500
.iq (Iraq)	Band 1	150	150
.jo (Jordan)	Band 2	750	750
.jp (Japan)	Band 10	25000	25,000
.kr (Korea)	Band 10	25000	25,000
.kz (kazakhstan)	Band 1	600	600
.lk (Sri Lanka)	Band 3	3000	3,000
.mn (Mongolia)	Band 2	750	750
.mo (Macau)	Band 2	750	750
.my (Malaysia)	Band 6	7500	7,500
.nc (New Caledonia)	Band 2	750	750
.nf (Norfolk Island)	Band 1	-	150
.np (Nepal)	Band 1	-	-
.nr (Nauru)	Band 1	150	150
.nu (Niue)	Band 7	10000	10,000
.nz (New Zealand)	Band 8	15000	15,000
.om (Oman)	Band 2	750	750
.pg (Papua New Guinea)	Band 2	750	750
.ph (Philippines)	Band 3	1500	1,500
.ps (palestine)	Band 1	WAIVED	WAIVED
.qa (Qatar)	Band 3	1500	1,500
.sa (Saudi)	Band 3	1500	1,500
.sb (Solomon Islands)	Band 2	750	750
.sg (Singapore)	Band 6	7500	7,500
.th (Thailand)	Band 3	1500	1,500
.tj (Tajikistan)	Band 1	-	150
.tl (Timor)	Band 1	150	150
.tv (Tuvalu)	Band 5	5000	5,000
.tw (Taiwan)	Band 8	15000	15,000
.vn (Vietnam)	Band 3	1500	1,500
.wf (Wallis abd Futuna)	Band 2	750	750
.ws (Samoa)	Band 2	750	750
.uz		500	-
LANIC		750	-
Total ordinary membership		218,750	217,800

**Asia Pacific Top Level Domains Association
Notes to the Financial Statements
For the Year Ended 31 December 2018**

ccTLD(country)	Membership Status	2018 Payment Completed	2017 Payment Completed
<u>Associates</u>			
.mx (Mexico)		2500	2,500
Afilias		5000	5,000
Community DNS		2500	2,500
GDNS		1500	1,500
ISOC.am		500	500
Neustar		5000	5,000
ccld.RU		5000	5,000
Netnod		5000	5,000
DENIC EG		5000	5,000
UANIC		150	150
TRR Vanuatu		150	150
BEI (pronounced as BEL)		750	750
NTC of Pakistan		150	150
Gransy s.r.o		750	
The foundation of internet development (.su)		1750	
Serbian National Internet Domain Registry		150	
CI DOMAIN REGISTRY LTD (.GG)		750	
Total associate membership		36,600	33,200
Total Membership		255,350	251,000