



2019 ANNUAL REPORT





Participants in 'Technical Cyber Security, and Incident and Network Management Training' workshop (Papua New Guinea, 2019)
Cover: ISIF Asia award-winning "Community Cellular Networks in Rural Aurora" project team (Philippines, 2018)

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TOWARDS A GLOBAL, OPEN, STABLE AND SECURE INTERNET THAT IS AFFORDABLE AND ACCESSIBLE TO THE ENTIRE ASIA PACIFIC COMMUNITY.

The Internet is now an essential fact of life, providing employment, livelihood, health, education, access to government services, and much more for billions of people.

But among the Asia Pacific's 4.3 billion people, the total Internet adoption rate remains **below half of the total population at 48.4%**. By 2023, it's estimated this will **increase to 72% (3.1 billion users)**, leaving more than a quarter of region's population still disconnected.

A 'digital divide' exists not only between the 'connected' and the 'unconnected', but between those who enjoy dependable, fast, secure services and those who do not, with serious implications for efforts to achieve sustainable social and economic development in the region.

A key challenge is cost - the Internet needs to be more affordable, so low income earners don't have to choose between connectivity and less food on the table.

With reliable, affordable and secure access to a quality Internet, billions of people can be healthier, better educated, and more productive members of society.

The growth and development of the Internet across the Asia Pacific is at a critical juncture: we have the opportunity now to boost investment in building capacity (both people and infrastructure) to foster an open, stable and secure Internet, accessible to all.



4.3 billion
total population



51.6%
unconnected in 2019



28%
still not connected in 2023



ISIF Asia grant recipient working on Bhutan's first trial with White Space TV technology (Bhutan, 2019)

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

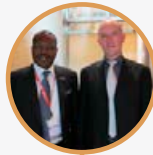
First funding partnership
PAN Asia ICT R&D Grants
Programme established by APNIC,
Canada's International Research
Development Centre and the United
Nations Development Programme's
Asia Pacific Development Information
Programme



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

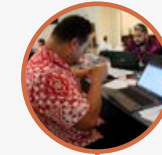
2018

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

CHAIR'S REPORT

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

I would like to thank my fellow [Board members](#) – Edward Tian, Sharad Sanghi, Michael Malone and Danish Lakhani – for their support and for the honour of reappointing me Chair at our second Board meeting in May (2019) in Singapore. I would also like to welcome our newest Board member, Jun Murai from Japan, who joined us in the second half of 2019.

In addition to providing the Foundation's audited financial statements for 2019 – which I am pleased to note came with an unqualified opinion from the auditors – this Annual Report will provide information on the activities the Foundation completed and launched in 2019. It is an impressive list of programs and projects, well matched by the Foundation's successful fund-raising efforts. I am particularly pleased to note the Foundation's diversifying list of new donors and that some donors have continued to support us over time.

As someone who has known the APNIC community for many years, I would particularly like to highlight new support from the [Japan Network Information Center \(JPNIC\)](#) – that economy's National Internet Registry (NIR). Towards the end of 2019, JPNIC joined APNIC and the APNIC Foundation in discussions on how to support Resource Public Key Infrastructure (RPKI) deployment in the Asia Pacific community. Specifically, JPNIC offered funding to support increased participation by technical staff from Internet Exchange Points (IXPs) in developing economies at the [APRICOT conference](#) in early 2020. It is, indeed, rewarding to see an NIR stepping forward to support

such activities and engage with the Foundation in this way. I would like to congratulate and thank JPNIC for their leadership and support.

Looking ahead, I think the Foundation is strategically well placed to continue to fulfill the vision and mission agreed on at the 2018 Board meeting. Clearly the Foundation is achieving its mission to “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”.

I want to thank the [APNIC Executive Council \(EC\)](#) and the APNIC Director General, Paul Wilson, for their backing, and recognize their continuing vision and leadership in relation to the Foundation and its activities. Without their support, the Foundation would not have achieved what it has in its first years of operation. It is worth noting that by 2020 the Foundation will have raised almost USD 2 million and supported training and other activities in seven of the APNIC economies. It has been an honour to chair the Foundation over the past two years of such impact and achievement.

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. These include APNIC staff from the Finance, Human Resources,

Infrastructure and Development and Members Services teams. Most importantly of all, I would like to recognize and thank the Foundation's small but growing list of donors for 2019 including Japan's [KDDI Foundation](#), JPNIC, the [Asia Foundation](#), the [Australian Government's Department of Foreign Affairs \(DFAT\)](#); the [New Zealand Government's Ministry of Foreign Affairs and Trade \(MFAT\)](#) and, of course, [APNIC](#). Thank you all for your support, vision, and leadership. We look forward to working with you all again in 2020!



Sylvia Efie Sumarlin



EXECUTIVE DIRECTOR'S REPORT

IT HAS BEEN A BUSY 12 MONTHS FOR THE APNIC FOUNDATION AND ITS SMALL BUT PRODUCTIVE TEAM.

Three projects successfully completed, three projects ongoing and a major new project launched; almost USD 400,000 in new funding raised and three new donors engaged; not to mention, ISIF Asia awarding USD 120,000 to [six new exciting initiatives](#).

This report covers the Foundation's main projects and activities. An obvious highlight is the large training project in Papua New Guinea (PNG) in partnership with the [Asia Foundation](#) that started in 2018 and will end in 2020. After 13 training, engagement, and assistance activities in just three months last year, the project this year delivered another 11 training and assistance engagements reaching 248 participants from 96 organizations (including 22 APNIC Members). The project also supported the new [Papua New Guinea Computer Emergency Response Team \(PNGCERT\)](#) and [IXP](#). It was particularly rewarding to see the community discussing the establishment of the Papua New Guinea Network Operators Group (PNGNOG) in late 2019 - the first national Network Operators Group (NOG) in the Pacific Islands.

Building on the success and learning from the Papua New Guinea training project, the Foundation developed a similar technical training project for five economies (Fiji, Samoa, Solomon Islands, Tonga and Vanuatu). Working closely with the APNIC training team, the Foundation received USD 336,000 in funding, and kicked off in the second half of 2019 with an intensive round of community consultations.

This year we also successfully wrapped up our very first project. The project provided training and support for CERTs in the Pacific economies of Cook Islands, Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. With funding of USD 172,000 over 24 months, the project supported three regional workshops in Tonga, New Caledonia and Samoa, helped strengthen [CERT Tonga](#), and supported the establishment of PNGCERT and [Vanuatu CERT](#). By the end of the project, CERT teams for 10 economies had received training. The project was led and managed by Adli Wahid, APNIC's Senior Internet Security Specialist. On behalf of the Foundation I would like to thank Adli for his leadership and commitment, which was essential to the success of the project.

The Foundation has gratefully welcomed support from new donors this year, as well as retaining and strengthening connections with existing donors such as DFAT's Cyber Cooperation Program. I also want to recognize the leadership and success of the APNIC EC in selecting Board members for the Foundation. This year we were delighted and honoured to welcome the Board's sixth member, Prof. Jun Murai. Jun is already engaged with the Foundation, generously offering his time and ideas to help its continuing development. I would also like to recognize the leadership and support of our two-term Board Chair, Sylvia Effe Sumarlin, who is generous with her time and advice. The Board still has one position to fill and we look forward to the EC's nomination.

Finally, I would like to thank the Foundation's small team - Head of Programs, Sylvia Cadena, and our latest recruit, Cathlene Corcoran. From APNIC, special thanks go to the Infrastructure and Development team led by Che-Hoo Cheng, including Tashi Phuntsho, Peter Blee and Jamie Gillespie; Irene Chan for her finance support; Craig Ng for his legal expertise; and Louise Tromp (and team) for human resources support. Last but not least are the Community Trainers and subject-matter experts the Foundation engages for its workshops and technical assistance activities. Their support and commitment are vital in allowing the Foundation to grow and expand.

Looking forward, we anticipate increased funding and a ramping up of projects that support APNIC's Development programs. We will be engaging more widely and deeply with donors and investors, supporting the Internet's technical development in the Asia Pacific, towards a global, open, stable and secure Internet that is affordable and accessible to the entire community.



Duncan Macintosh

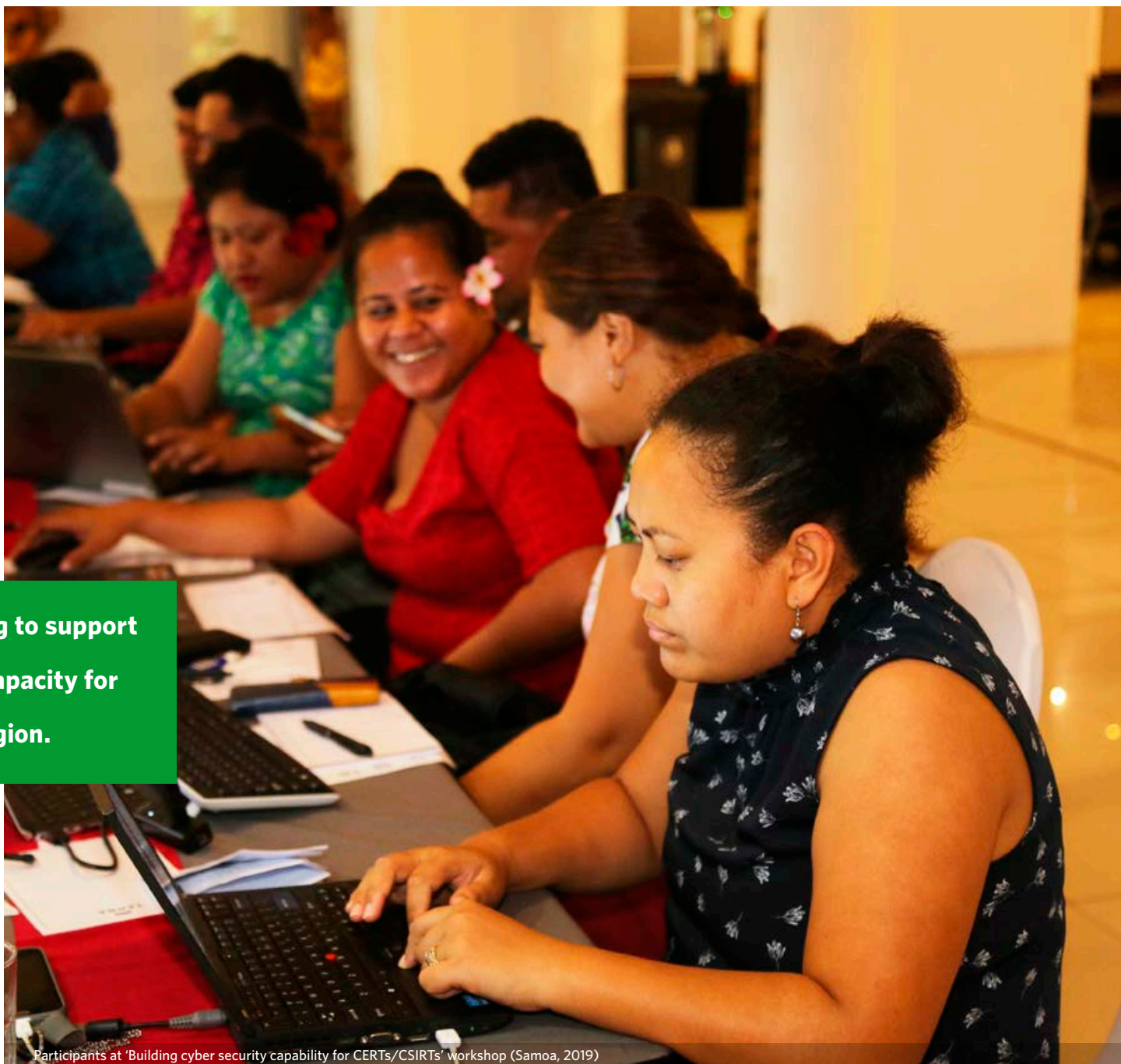




ABOUT THE APNIC FOUNDATION

The Foundation leverages APNIC's 25+ years of leadership to build human and community capacity for Internet development in the Asia Pacific region. It seeks to raise funds to support and expand APNIC's development priorities by building new relationships with donors and partners with the resources to support collaboration.

The Foundation's purpose is to seek funding to support APNIC in building human and community capacity for Internet development in the Asia Pacific region.



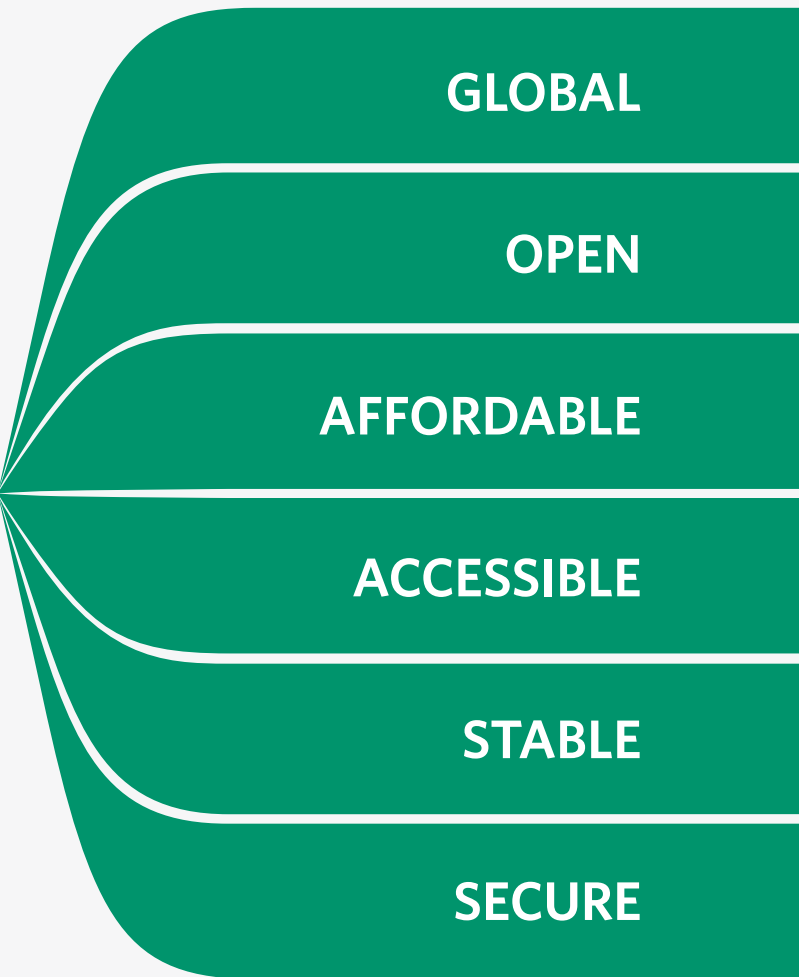
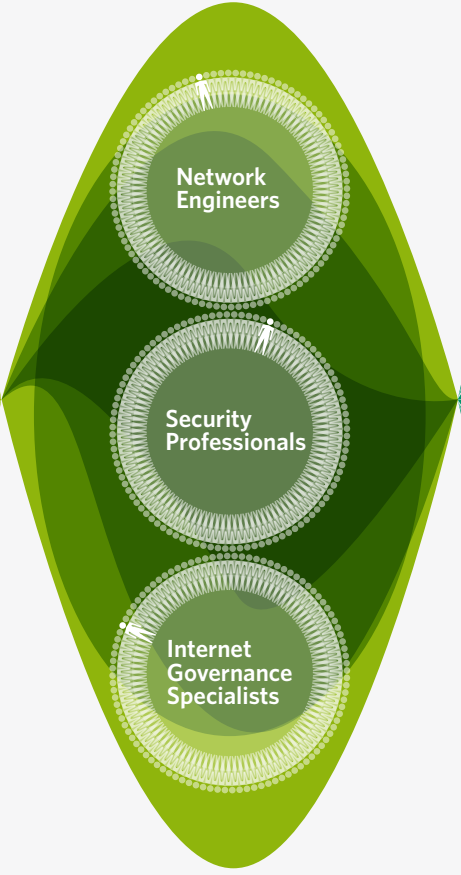
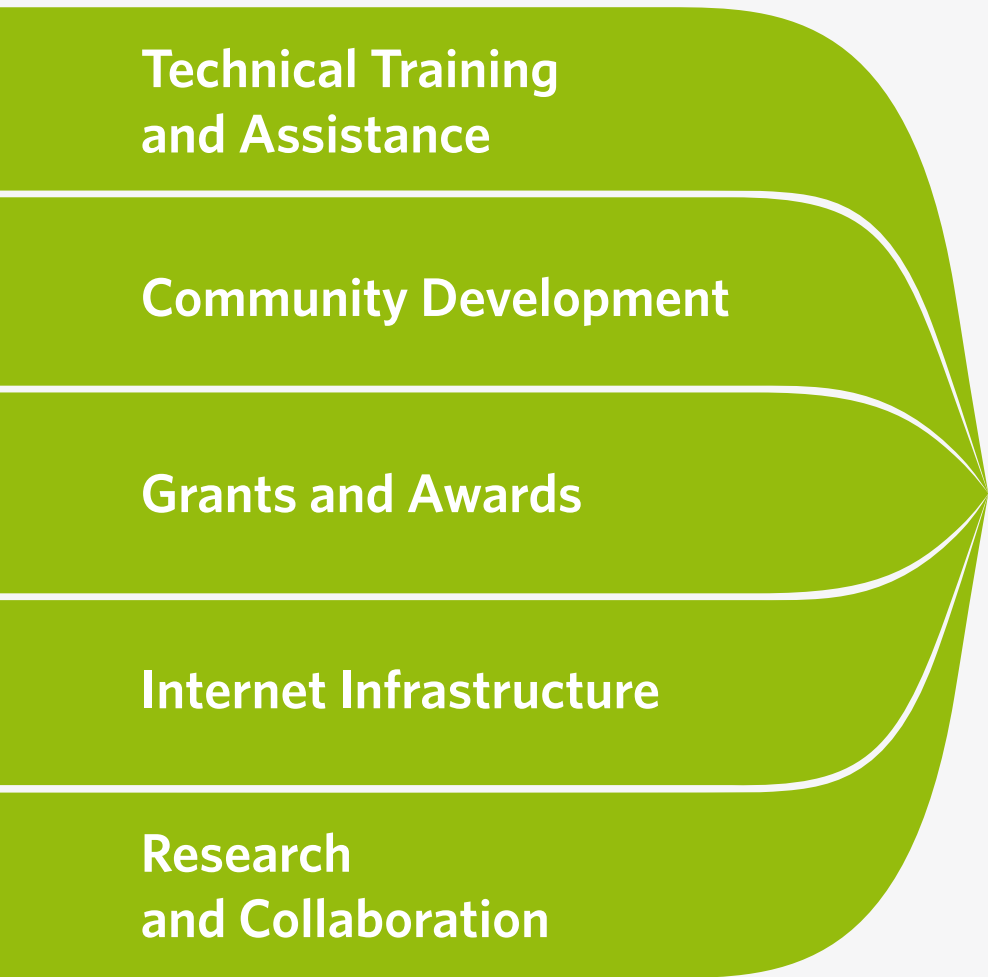
Participants at 'Building cyber security capability for CERTs/CSIRTs' workshop (Samoa, 2019)

HOW THE FOUNDATION WORKS

We support these activities

To strengthen these communities

To achieve these goals





An APNIC Member meeting with APNIC resource and security specialists (Singapore, 2019)

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) 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 17,000 ISPs and other network operators, who together are building and maintaining the region's Internet infrastructure.



2019 ACTIVITY REPORT

CORPORATE

The Foundation's second Board meeting and Annual General Meeting (AGM) was held in Singapore on 3 May 2019. The Board approved the Foundation's second audited financial statements; discussed a number of strategic initiatives; reviewed the Board membership criteria; and re-elected Sylvia Efie Sumarlin from Indonesia as Chair for a second term.

In September, the APNIC EC appointed the sixth Board member, Prof. Jun Murai from Japan.

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

The Foundation engaged a third staff member in its Brisbane office as well as project coordinators based in Papua New Guinea and Fiji.



Prof Jun Murai presenting to university students. Image credit: Joi Ito

FUNDING AND PROJECT HIGHLIGHTS

By December 2019, the Foundation had received just over USD 1.4 million in funding from donors including the Asia Foundation, Internet Society and the governments of Australia, New Zealand and Canada.

The Papua New Guinea project 'Technical Cyber Security, and Incident and Network Management Training' became the Foundation's largest ever project in terms of investment and training delivered. Total funding was USD 558,000 with the APNIC Foundation receiving USD 343,354.

Building on the success of the Papua New Guinea project, the Foundation received funding for a second project supporting technical training for five economies in the Pacific. Starting in the second half of 2019, the project funded extensive community consultations with all APNIC Members in each economy.

JPNIC became the first NIR to fund Foundation activities, supporting a project to encourage RPKI deployment among IXPs in developing economies.

In its 11th year of activities, ISIF Asia awarded USD 120,000 in grants to support research and development of Internet technologies for the benefit of the Asia Pacific. Six organizations were selected to receive USD 20,000 each, based on proposals that addressed technical, operational and developmental issues that concern the region's Internet community.

Year	USD
2017	309,321
2018	731,162
2019	399,529
Grand Total	1,440,012

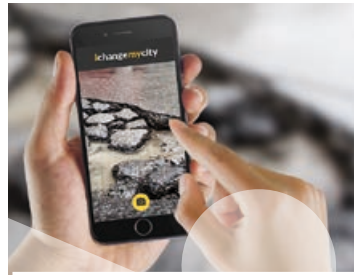


Participants in 'Building cyber security capability for CERTs/CSIRTs workshop (Samoa, 2019)

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.

ISIF Asia has supported 75 grants and 28 awards allocating over USD 3.52 million to 103 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.



75
GRANTS



28
AWARDS



USD 3.52
MILLION



103
INNOVATIVE
INITIATIVES



24
ECONOMIES



2019 GRANT WINNERS

ISIF Asia awarded six organizations USD 20,000 each (USD 120,000 in total) for proposals that addressed technical, operational and developmental Internet issues.

A total of seventy proposals from 17 economies were received with funding shared among organizations representing the private sector (1) and academia (5) in five economies: Australia, India, Indonesia, Malaysia and New Zealand.

I4D Powering Internet Infrastructure Grants

Telemetering the telltale signs of power issues of wireless Internet relays.

Network remote powering through quasi-passive optical nodes.

Network Operations Research Grants

Implementation and utilities of RDAP for wider usability among Internet Stakeholders.

Honeynet threat sharing platform.

Modelling and identifying IP address space fragmentation pressure points.

Network coding over satellite links: scheduling redundancy for better goodput.

APPLICATIONS

70 proposals

17 economies

FUNDING

1 private sector

5 academia

5 economies

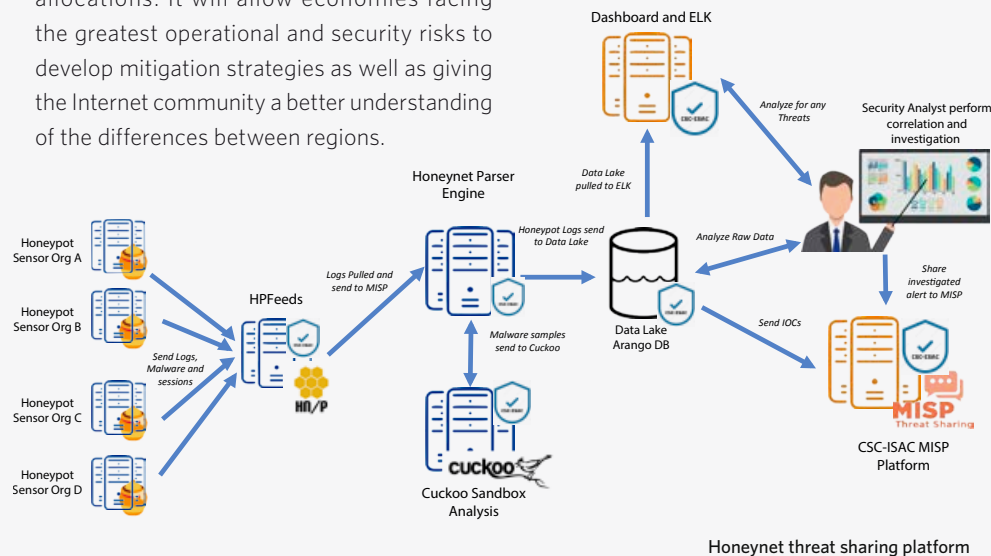
2019 WINNER HIGHLIGHTS OF NETWORK OPERATIONS RESEARCH GRANTS

Modelling and identifying IP address space fragmentation pressure points.
Curtin University. Australia.

How to manage the global shortage of IPv4 address space and the transition to IPv6 is one of the most important technical challenges facing network operators. Continuing the current practice of dividing address space into ever-smaller allocations (while increasingly relying on NAT) not only presents challenges for IPv6 deployment efforts but will increasingly create 'pressure points' in economies or regions where allocations are smaller. This project aims to model and identify economies likely to be impacted by pressure points created by partitioning IPv4 address blocks into smaller allocations. It will allow economies facing the greatest operational and security risks to develop mitigation strategies as well as giving the Internet community a better understanding of the differences between regions.

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

With the continuous rise of cybersecurity threats, it has become more essential than ever to monitor potential security threats and attacks. Honeypots, a decoy system designed to lure attackers, have been used to track and learn the behaviour of attackers. The goal of the project is to develop and implement a honeynet threat sharing platform that will collect, store and add contextual information of cybersecurity threats. First implemented in Indonesia, the project, with future enhancements, will expand to other Asia Pacific economies.



POWERING INTERNET INFRASTRUCTURE GRANTS

Telemetering the tell-tale signs of power issues of wireless Internet relays.
Rural Broadband – AirJaldi. India.

Achieving and managing the reliable power supplies needed by all Internet Service Providers (ISPs) is a major challenge in many developing economies. This project will address power supply issues for rural ISPs by developing an affordable cloud-based power monitoring and alert system. Currently these ISPs rely on power backup through batteries and other means and must 'guesstimate' usage during down times. This often results in costly miscalculations.

Network remote powering through quasi-passive optical nodes.
Royal Melbourne Institute of Technology (RMIT University). Australia.

One of the major limitations for remote access is the powering of remote optical network nodes, where the local power supply for network infrastructure may not be available. This project aims to solve the problem of how to power optical network nodes to provide reliable broadband network access to remote areas. This will be delivered by the remote powering of the network nodes in a way that will not consume any power under static network connections. When there are changing traffic and network conditions, the power required for the node will be delivered remotely. The outcomes of this project will eliminate local power supply requirements in remote network nodes to facilitate reliable and high-speed Internet access in remote areas and remote communities.



COMMUNITY NETWORKS GRANTS, AWARDS AND EVENT SUPPORT

Community Networks are generally defined as locally owned initiatives/organizations that manage communication infrastructure. Their aim is to provide affordable, locally owned, and managed communication infrastructure using creative low-cost solutions.

Through the Seed Alliance partnership, ISIF Asia received USD 33,000 from the Internet Society to support Community Networks. The contribution co-funded the following projects in Indonesia, Bhutan and The Philippines.

The funding ended in 2019.

Community LTE in Papua

Yayasan Noken Baliem Mandiri, Indonesia. USD 23,000.

This project deployed the first locally owned and operated handset to support LTE networks in the world to rural Papua, Indonesia, using low-cost eNodeBs and a custom developed enhanced packet core. YNBM was granted a special experimental cellular license to explore this new rural access technology in Indonesia by the Indonesian Telecom Ministry.

[Final Technical Report](#)

Connecting the Unserved - Bhutan's First Trial with TV White Space Technology

NANO, Bhutan. USD 30,000 (this project was co-funded by APNIC).

Given Bhutan's challenging physical environment and Internet connectivity issues, this project explored the feasibility and suitability of TV white space technology as an alternative broadband option to underserved areas in the economy.

[Final Technical Report](#)

Community Networks Award - Community Cellular Networks in Rural Aurora

University of the Philippines - Diliman, The Philippines. USD 3,500 in cash plus a travel grant to the 2018 Internet Governance Forum (IGF) in Paris.

In partnership with a local telecommunications company, the team developed and deployed a GSM Community Cellular Network in rural Philippines to bridge 'last mile' connectivity issues in isolated and relatively poor communities. In 2017, they began deploying them in partnership with local NGOs, to provide basic cellular services.

[Award experience report](#)



The Seed Alliance is a collaborative partnership to support innovation on Internet development across the global south. From 2017 to 2019, ISIF Asia received through the Seed Alliance, a total of USD 133,000 to support two funding categories: Community Networks and Gender Empowerment.



ISIF Asia grant supported community LTE network device being used (Indonesia, 2018)



ISIF Asia grant supported NANO client-side antenna at Talakha Monastery (Bhutan, 2018)



ISIF Asia award winning community wireless network (Philippines, 2018)

During 2019, eight ISIF Asia grant recipients published their Final Technical Reports, including:

Increasing the Safe Use of Internet by Women and Girls

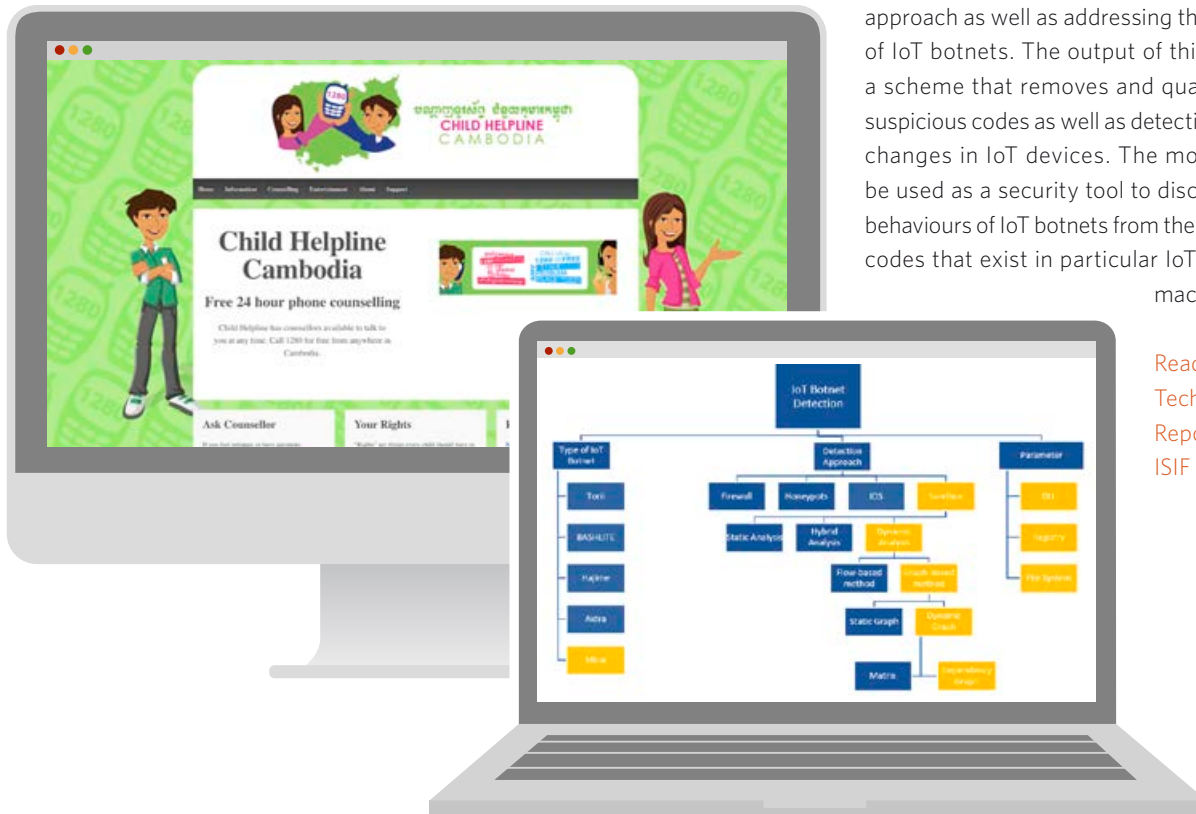
This project, led by Sean Sok Phay from the Child Helpline Cambodia, strengthens the capabilities of 16 existing helpline ambassadors on the safe use of the Internet and how to report online abuse to Child Helpline Cambodia.

A novel graph analytics theory model to mitigate IoT botnets attacks for big data

In an Internet of Things (IoT) world, many connected devices have lax or no security capabilities, making them easy compromise and an easy target for hackers.

The project, led by Raihana Syahirah Abdullah, from the Faculty of Information Technology and Communication at the Universiti Teknikal Malaysia Melaka focused on getting parameters from raw infection codes using a reverse engineering approach as well as addressing the behaviours of IoT botnets. The output of this research is a scheme that removes and quarantines the suspicious codes as well as detecting behaviour changes in IoT devices. The model also can be used as a security tool to discover the real behaviours of IoT botnets from the raw infection codes that exist in particular IoT devices and machines.

[Read all Final Technical Reports at the ISIF Asia website](#)



COMMUNITY NETWORKS EXCHANGE ASIA PACIFIC

ISIF Asia's support to the Community Networks Exchange Asia Pacific (CNX APAC) event series continued for the third consecutive year. ISIF Asia provided USD5,000 sponsorship and also supported ISIF Asia recipients to join as speakers and contributors to the event.



ISIF Asia supported CNX event. ISIF Asia Award winner 2018 facilitating (India, 2019)



DEF Foundation staff and CNX 2019 participants visiting a community wireless project (India, 2019)

SELECTED FOUNDATION PROJECTS

Papua New Guinea technical training project

Project title:

Technical Cyber Security,
and Incident and Network
Management Training



Dates

2018 - 2020



Donors

The Asia Foundation (US)

Department of Foreign
Affairs and Trade (AU)

Ministry of Foreign Affairs
and Trade (NZ)



Amount

USD 451,731

THE PROJECT FUNDED



A combination of new submarine cables and satellites will provide Papua New Guinea – Oceania’s second most populous economy – with a 1,000-fold increase in national connectivity over a two to three-year period. Previously Papua New Guinea had only one submarine cable connecting it to the global Internet.

The Foundation’s project strengthened and prepared the technical community in Papua New Guinea for this change by providing a large-scale training program, aimed at reducing network inefficiencies and enhancing local cybersecurity capabilities.

The project delivered technical skills training to local professionals responsible for the essential task of keeping Papua New Guinea’s networks operating. The project also enhanced emergency response capabilities through support for PNGCERT and technical interventions that improve strategic local infrastructure such as Papua New Guinea’s new IXP (PNG IX).

An additional project (Project title: Developing the capability of the Papua New Guinea Computer Emergency Response Team, 2018 -2019, Amount: USD 56,506) strengthened PNGCERT further by funding the purchase of office hardware, software and other cybersecurity tools, and by providing training and mentorship for the officers of PNGCERT and other members of Papua New Guinea’s cybersecurity community. The project helped review the technical specifications for equipment procurement; ensured the equipment was delivered with service and support agreements from the vendor; and, that the hardware and software was aligned with the operational priorities of PNGCERT.



Participants in 'Technical Cyber Security, and Incident and Network Management Training' workshop (Papua New Guinea, 2019)

Information security training for Myanmar university campus networks

Project title:

Advanced Network Security training



Dates

2018 – 2019



Donors

KDDI Foundation (JP)



Amount

USD 29,144 (cost recovery by APNIC)

Internet adoption in Myanmar is still low compared to the rest of South East Asia; only 41% of the population – 22 million people – are currently connected to the Internet. This number is steadily increasing, with a 4.8% annual growth rate, which equates to close to a million users a year.

This project focused on training technical staff of the Myanmar Research and Extension Network (mmREN) and university technical officers to increase their understanding of the cybersecurity threats they face and how to mitigate such threats.

The training explained the key concepts, protocols and policies involved in establishing and maintaining security for a university network. Device and network infrastructure security was explained with a focus on requirements to establish a robust, stable and secure network.



THE PROJECT FUNDED



4

workshops



Over
2

years



30

technical staff
at each
workshop



Participants in KDDI Foundation security training for university campus networks (Myanmar, 2019)

Supporting CERT development in the Pacific

A CERT is a group of information security experts responsible for the protection against, detection of, and response to cybersecurity incidents

Project title:

A secure and resilient Internet infrastructure for development in the Pacific



Dates
2017 - 2018



Donors
Department of Foreign Affairs and Trade (AU)



Amount
USD 172,096

The project strengthened Internet security in the Pacific by fostering and supporting the development of CERTs at the national level in ten Pacific economies. This was done through a bottom-up, research-led capacity building program for security personnel and policymakers from relevant government departments, Internet Services Providers (ISPs) and telecom operators in the region. Activities included three regional workshops (Tonga, New Caledonia, Samoa); technical assistance to strengthen CERT Tonga; technical assistance for the establishment of PNGCERT and Vanuatu CERT; and training for CERT team members from eight other economies.

A complete list of APNIC Foundation projects can be found on the [APNIC Foundation website](#).



Participants in 'Building cybersecurity capability for CERTs/CSIRTs' workshop (Samoa, 2019)

THE PROJECT FUNDED



3
regional workshops



Over
2
years



55
technical staff



10
economies



FOUNDATION BOARD



Ms Sylvia Efie Sumarlin

Board Chair (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).



Mr. Michael Malone

(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.



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. 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

With 23 years experience in Internet for development, including ten years of managing the ISIF Asia at APNIC, Sylvia was appointed Head of Programs at the APNIC Foundation in April 2016. As Head of Programs, Sylvia works on the management, design and implementation of collaborative programs to expand APNIC's capacity-building efforts and its overall Development Program.

Ms Cadena is also currently a member of the IGF Multistakeholder Advisory Group (MAG), which is appointed by the UN Secretary General.



Cathlene Corcoran

Business Services Coordinator

With over 16 years' experience in administration, Cathlene joined APNIC and 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 2019.

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 2019 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 Widyantari SUMARLIN
Suning TIAN
Sharad Kumar SANGHI
Danish Ali LAKHANI
Michael Martin MALONE
Jun MURAI (appointed on 16 October 2019)

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).

Subsequent event

Details of subsequent event of the Company are disclosed in note 15 to the financial statements.

Auditor

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

On behalf of the Board



Sylvia Efie Widyantari SUMARLIN
Director

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 6 to 22, which comprise:

- the balance sheet as at 31 December 2019;
- the statement of comprehensive income for the year ended 31 December 2019;
- 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 2019, and of its financial performance and its cash flows for the year ended 31 December 2019 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 HKSA's 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 HKSA's, we exercise professional judgment and maintain professional scepticism 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

BALANCE SHEET

(All amounts in United States dollars unless otherwise stated)

		As at 31 December	
Assets	Note	2019	2018
Current assets			
Other receivables	5	7,910	3,183
Amount due from the sole member	6	64,560	116,925
Cash and cash equivalents	7	342,018	488,045
Total assets		414,488	608,153
Fund			
Accumulated fund		(27,658)	(22,557)
Total fund		(27,658)	(22,557)
Liabilities			
Current liabilities			
Amount due to the sole member	6	72,690	18,116
Accruals	8	89,048	64,743
Deferred income on specific donations	9	280,408	547,851
Total liabilities		442,146	630,710
Total fund and liabilities		414,488	608,153
Net current liabilities		(27,658)	(22,557)

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

SylviaEfie Widiantari SUMARLIN
Director

Sharad Kumar SANGHI
Director

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

STATEMENT OF CHANGES IN FUND

(All amounts in United States dollars unless otherwise stated)

	Accumulated fund
Balance at 1 January 2018	5,515
Total comprehensive income	
Deficit for the year	(28,072)
Other comprehensive income	-
Balances at 31 December 2018 and 1 January 2019	(22,557)
Total comprehensive income	
Deficit for the year	(5,101)
Other comprehensive income	-
Balance at 31 December 2019	(27,658)

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	2019	2018
General donation income from the sole member		531,971	543,074
Specific donation:			
Donation income from Department of Foreign Affairs and Trade ('DFAT')	9	299,719	103,911
Donation income from the sole member			
▪ The Information Society Innovation Fund (ISIF Asia)	9	93,681	69,386
▪ ISIF Asia Research	9	24,237	66,217
▪ ISIF Asia Program Fund	9	6,534	5,259
Donation income from International Development Research Centre ('IDRC')	9	40,050	39,309
Donation income from Internet Society ("ISOC")	9	6,670	26,663
Donation income from The Asia Foundation ('TAF')	9	174,877	168,477
Interest income		635	324
Total revenue		1,178,374	1,022,620
Expenditure			
Programme expenses		(645,768)	(479,222)
Administrative expenses	10	(532,606)	(543,397)
Net exchange losses		(5,101)	(28,073)
Total expenditure		(1,183,475)	(1,050,692)
Deficit for the year		(5,101)	(28,072)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(5,101)	(28,072)

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)

		As at 31 December	
Cash flows from operating activities	Note	2019	2018
Deficit for the year		(5,101)	(28,072)
Change in working capital:			
▪ Other receivables		(4,727)	(3,183)
▪ Amount due from the sole member		52,365	(92,310)
▪ Amount due to the sole member		54,574	12,625
▪ Accruals		24,305	35,175
▪ Deferred income on specific donations		(267,443)	301,082
Net cash inflow from operating activities		(146,027)	225,317
Net (decrease)/increase in cash and cash equivalents		(146,027)	225,317
Cash and cash equivalents at beginning of the year		488,045	262,728
Cash and cash equivalents at end of the year	7	342,018	488,045

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 2019, the Company had 1 (2018: 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 year 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, other than the going concern assumption in note 2.2, 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 interpretation to existing HKFRS (collectively, the “Amendments”) adopted by the Company

The Company has applied the following relevant Amendments for the first time for its annual reporting period commencing on 1 January 2019:

Annual Improvements Project	Annual Improvements 2015 – 2017 cycle
HKFRS 16	Leases
HK(IFRIC) 23	Uncertainty over Income Tax Treatments
HKFRS 9 (Amendment)	Prepayment Features with Negative Compensation

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

The Company has not applied any Amendments that is not yet effective for the current accounting period.

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 accounting periods commencing on or after 1 January 2020 and they have not been early adopted in these financial statements.

Conceptual Framework for Financial	Revised Conceptual Framework for Financial
Reporting 2018	Reporting ¹
HKAS 1 and HKAS 8 (Amendments)	Definition of Material ¹
HKFRS 17	Insurance Contracts ²

- (1) Effective for the financial period beginning on 1 January 2018.
- (2) Effective for the financial period beginning on 1 January 2019.

According to the preliminary assessment made by the directors, no significant impact on the financial performance and position of the Company.

2.2 Going concern

At 31 December 2019, the Company’s current liabilities exceeded its current assets by US\$27,658 and there was a deficit on accumulated fund of the same amount. The sole member has confirmed its intention to provide sufficient financial support to the Company so as to enable the Company to meet its liabilities as and when they fall due and to continue its operations for the foreseeable future. The directors believe that the Company has the ability to continue as a going concern. Consequently, the financial statements of the Company have been prepared on the going concern basis.

2.3 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

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets.

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 2019 (2018: nil).

2.4 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.

2.5 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.

2.6 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.

2.7 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.

2.8 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.

2.9 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 substantially 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.

(c) Offsetting

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.

2.10 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.

2.11 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.

2.12 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 capital 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 amounts 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.

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.

	2019	2018
Less than one year		
Amount due to the sole member	72,690	18,116
Accruals (note 8)	89,048	64,743
	161,738	82,859

(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:

	2019	2018
Financial assets at amortised cost		
Other receivables	3,183	-
Amount due from the sole member	116,925	24,615
Cash and cash equivalents (note 7)	488,045	262,728
	608,153	287,343
Financial liabilities at amortised cost		
Amount due to the sole member	18,116	5,491
Accruals (note 8)	64,743	29,568
	82,859	35,059

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 and 2018, no other receivables were past due.

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

As at 31 December 2019 and 2018, 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 and 2018. The Company does not hold any collateral over these balances.

Due to the short-term nature of the current receivables, their carrying amounts are considered to be same as their fair values as at 31 December 2019 and 2018. The balance is denominated in Canadian dollars (2018: United States 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 2019 and 2018, the amount due from the sole member is not past due or impaired and no default history.

As at 31 December 2019 and 2018, the directors considered that the expected credit loss for amount due from sole member was immaterial thus no loss allowance was made (2018: nil).

The carrying values of amounts due from/(to) the sole member approximate their fair values as at 31 December 2019 and 2018. 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.

	2019	2018
Australian dollars	42,726	116,925
Hong Kong dollars	21,834	-
	64,560	116,925

7 Cash and cash equivalents

	2019	2018
Cash at banks, maximum exposure to credit risk	342,018	488,045

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

	2019	2018
United States dollars	9,312	290,632
Hong Kong dollars	17,019	9,852
Australian dollars	315,687	187,561
	342,018	488,045

8 Accruals

The carrying value of accruals approximates its fair value as at 31 December 2019 and is denominated in the following currencies.

	2019	2018
Hong Kong dollars	21,834	15,961
Australian dollars	28,115	19,494
United States dollars	39,099	29,288
	89,048	64,743

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 Papua New Guinea 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.

(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 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

	The sole member								Total
	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)		
As at 1 January 2018	68,328	76,750	46,050	-	55,641	-	-	-	246,769
Donation received	215,118	74,006	44,404	54,281	15,808	33,333	343,354		780,304
Recognized in profit or loss	(103,911)	(69,386)	(66,217)	(5,259)	(39,309)	(26,663)	(168,477)		(479,222)
At 31 December 2018	179,535	81,370	24,237	49,022	32,140	6,670	174,877		547,851
As at 1 January 2019	179,535	81,370	24,237	49,022	32,140	6,670	174,877		547,851
Donation received and receivable	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	137,879	100,041	-	42,488	-	-	-		280,408

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 of Papua New Guinea.

10 Expenses by nature

	2019	2018
Auditor's remuneration	17,015	15,961
Employee benefit expenses (note 11)	389,718	397,234
Legal and professional fee	27,455	17,620

Travelling expenses	86,158	103,830
Others	12,260	8,752
Total expenditure	99,418	112,582

11 Employee benefit expense

	2019	2018
Salaries and wages	374,958	382,812
Bonus	14,760	14,422
Total employee benefit expenses	389,718	397,234

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.

(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.

	2019	2018
Deficit for the year	(5,101)	(28,072)
Calculated at a tax rate of 16.5%	(842)	(4,632)
Income not subject to tax	(105)	(53)
Expenses not deductible for tax purpose	842	4,632
Tax losses not recognised	105	53
Income tax expense	-	-

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

At 31 December 2017, the Foundation has no unprovided deferred income tax.

14 Related party transactions

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

15 Subsequent event

The Company's operation has been affected by COVID-19 outbreak in the first quarter of 2020. The Company is currently working on plans to adapt to the situation and expects some impact on its financial statements in 2020.

The Company's financial statements for the year ended 31 December 2019 have been prepared on a going concern basis. As of the date of the Board of Directors authorising these financial statements, the management has determined that there is no material uncertainties as a result of COVID-19 outbreak that cast a doubt on the Company's ability to continue as a going concern for the next 12 months.



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ISIF Asia award winning community cellular network in rural Aurora (Philippines, 2018)