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DOTASIA FOUNDATION LIMITED

**FINANCIAL STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER 2016**

DOTASIA FOUNDATION LIMITED

**AUDITOR'S REPORT
FOR THE YEAR ENDED 30TH SEPTEMBER 2016**

DOTASIA FOUNDATION LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their annual report and the audited financial statements for the year ended 30th September 2016.

PRINCIPAL ACTIVITY

The principal activities of the company are to organize and support community projects and socio-technological initiatives with charitable purposes that fulfill its mandate of relief of poverty, digital inclusion, advancement of education, and promoting internet development in Asia.

RESULTS AND APPROPRIATIONS

The surplus/deficit of the foundation for the year ended 30th September 2016 and the state of the company's affairs at that date are set out on pages 3 to 8.

BUSINESS REVIEW

The foundation falls within reporting exemption for the financial year. Accordingly, the company is exempted from preparing a business review.

DIRECTORS

The directors of the company during the year and up to the date of this report were:-

THAM Yiu Kwok
CHUNG Edmon Wang On

There is no provision in the company's articles of association for the retirement and rotation of directors. DotAsia Organisation Limited, as sole member of the company, shall have the power to remove/or appoint the directors.

AUDITOR

The auditor, Chan Kin Cheong, Certified Public Accountant, retires and, being eligible, offers himself for re-appointment.

DOTASIA FOUNDATION LIMITED
REPORT OF THE DIRECTORS (CONT'D)


DIRECTORS' INTEREST IN CONTRACTS

No contract of significance in relation to the company's business to which the company, any of its holding companies or fellow subsidiaries was a party and in which directors of the company had a material interest, subsisted at the end of the year or at any time during the year.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the company, any of its holding companies or fellow subsidiaries a party to any arrangement to enable the directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

On behalf of the Board:


Chairman

Hong Kong 11 AUG 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF**DOTASIA FOUNDATION LIMITED**

(Incorporated in Hong Kong with limited liability)

I have audited the financial statements of DOTASIA FOUNDATION LIMITED set out on pages 4 to 8, which comprise the balance sheet as at 30th September 2016 and the income statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants 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.

Auditors' responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 900 (Revised) "Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard" issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements of the Company for the year ended 30th September 2016 are prepared, in all material respects, in accordance with the SME-FRS and have been properly prepared in compliance with the Hong Kong Companies Ordinance.



Chan Kin Cheong

Certified Public Accountant (Practising)

Hong Kong, 11 AUG 2017

Room 1205, 12/F, Silvercord, 30 Canton Road, Kowloon, Hong Kong

DOTASIA FOUNDATION LIMITEDINCOME STATEMENTFOR THE YEAR ENDED 30TH SEPTEMBER 2016

(Expressed in United States Dollars)

	<u>Note</u>	<u>2016</u> US\$	<u>2015</u> US\$
Income	3	178,727.93	125,805
Administrative and operating expenses	APPENDIX 1	<u>178,717.56</u>	<u>126,092</u>
Surplus / (deficit) before tax	4	10.37	(287)
Tax	5	-	-
Net surplus / (deficit) for the year		<u>10.37</u>	<u>(287)</u>

CHANGES IN EQUITY

Balance brought forward	(821.95)	(535)
Net surplus / (deficit) for the year	<u>10.37</u>	<u>(287)</u>
Balance carried forward	<u>(811.58)</u>	<u>(822)</u>

The accompanying accounting policies and explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

The notes on pages 6 to 8 form an integral part of these financial statements.

DOTASIA FOUNDATION LIMITEDBALANCE SHEET AS AT 30TH SEPTEMBER 2016

(Expressed in United States Dollars)

	Note	<u>2016</u> US\$	<u>2015</u> US\$
<u>CURRENT ASSET</u>			
Accounts receivable		81,994.00	41,220
		<u>81,994.00</u>	<u>41,220</u>
<u>CURRENT LIABILITIES</u>			
Accrued charges		82,805.58	800
Amount due to a related company	6	-	41,242
		<u>82,805.58</u>	<u>42,042</u>
NET CURRENT LIABILITIES		<u>(811.58)</u>	<u>(822)</u>
NET LIABILITIES		<u>(811.58)</u>	<u>(822)</u>
<u>GENERAL RESERVE</u>			
Accumulated deficit		<u>(811.58)</u>	<u>(822)</u>

Approved by the Board of directors on 11 AUG 2017.
and signed on its behalf


Director


Director

The notes on pages 6 to 8 form an integral part of these financial statements.

DOTASIA FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2016

1. GENERAL INFORMATION

DOTASIA FOUNDATION LIMITED is a limited-by-guarantee company domiciled and incorporated in Hong Kong. The address of its registered office and principal place of business is 12/F., Daily House, 35-37 Haiphong Road, Tsim Sha Tsui, Hong Kong. The principal activities of the company are to organize and support community projects and socio-technological initiatives with charitable purposes that fulfill its mandate of relief of poverty, digital inclusion, advancement of education, and promoting internet development in Asia.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The company qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the company is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

a) Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the company and when the revenue can be measured reliably, on the following basis:

- i). sales of good is recognised when the goods are delivered and the risks and rewards of ownership have passed to the customer;
- ii). Rental income is recognised on a time proportion basis over the lease terms;
- iii). Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable; and
- iv). Dividend income is recognised when the shareholder's right to receive payment is established.

b) Foreign exchange

The reporting currency of the company is United States Dollars.

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into United States Dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

DOTASIA FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2016

c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method.

d) Trade and other receivables

Trade and other receivables are stated at estimated realizable value after each debt has been considered individually where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

f) Taxation

As the total income came from voting member and sponsor(s), it deems that the foundation does not carry on business pursuant to Section 24(1) of the Inland Revenue Department. Thus the surplus, if any, derived from there is non-taxable.

g) Related parties

(a). A person or a close member of that person's family is related to the company if that person:

- 1.) has control or joint control of the company;
- 2.) has significant influence over the company; or
- 3.) is a member of the key management personnel of the company or of a parent of the company.

(b). An entity is related to the company if any of the following conditions applies:

- 1.) The entity and the company are members of the same group.
- 2.) One entity is an associate or joint venture of the other entity.
- 3.) Both entities are joint ventures of the same third entity.
- 4.) One entity is a joint venture of the other entity and the other entity is an associate of the third entity.
- 5.) The entity is post-employment benefit plan for the benefit of employees of either the company or an entity related to the company.
- 6.) The entity is controlled or jointly controlled by a person identified in (a).
- 7.) A person identified in (a)(1) has significant influence over the entity or is a member of the key management personnel of the entity.

DOTASIA FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2016

3. WELFARE FUND RECEIPTS

	<u>2016</u>	<u>2015</u>
	<u>US\$</u>	<u>US\$</u>
ICG Secretariat	73,750.00	74,196
Sponsorship / Donation	37,858.18	1,985
Other income	3,369.06	1,559
Subsidy	63,750.69	48,065
	<u>178,727.93</u>	<u>125,805</u>

4. SURPLUS / (DEFICIT) BEFORE TAX

	<u>2016</u>	<u>2015</u>
	<u>US\$</u>	<u>US\$</u>
The surplus / (deficit) before tax is stated after charging		
Auditor's remuneration	774.21	645
Bank charges	0.64	89

5. INCOME TAX

No Hong Kong profits tax has been provided as the company is exempted under section 88 of the Inland Revenue Ordinance (2015: Nil).

6. AMOUNT DUE TO A RELATED COMPANY

The balance are unsecured, interest free and repayable on demand.

7. RELATED PARTIES TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the company had the following material related party transactions during the year:

<u>Name of companies</u>	<u>Nature</u>	<u>2016</u>	<u>2015</u>
		<u>US\$</u>	<u>US\$</u>
DotAsia Organisation Limited	Subsidy	63,750.69	48,065
DotAsia Organisation Limited	Office expenses	11,712.92	11,520
DotAsia Organisation Limited	Salaries and wages	<u>73,800.00</u>	<u>90,364</u>

All the transactions with related party were negotiated at arm's-length basis in accordance with common commercial terms in the same manner as other external customers and suppliers.

8. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 11th August 2017.

(For management purpose only)

APPENDIX 1

DOTASIA FOUNDATION LIMITED

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 30TH SEPTEMBER 2016

(Expressed in United States Dollars)

<u>Income</u>	<u>2016</u> US\$	<u>2015</u> US\$
ICG Secretariat	73,750.00	74,196
Sponsorship / Donation	37,858.18	1,985
Other income	3,369.06	1,559
Subsidy	63,750.69	48,065
	<u>178,727.93</u>	<u>125,805</u>
 <u>Less: Administrative and operating expenses</u>		
Auditor's remuneration	774.21	645
Bank charges	0.64	89
Community contributions	92,403.98	23,319
Legal and professional fee	25.81	155
Office expenses	11,712.92	11,520
Salaries and wages	73,800.00	90,364
	<u>178,717.56</u>	<u>126,092</u>
 Surplus / (deficit) before tax	<u>10.37</u>	<u>(287)</u>