

2007

Half-year Report

ACROSS ASIA LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code 8061)

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This report, for which the Directors of AcrossAsia Limited (the “Company”) (namely, executive Director: Mr. Marshall Wallace COOPER; non-executive Directors: Dr. Cheng Wen CHENG and Mr. Bunjamin Jonatan MAILOOL; and independent non-executive Directors: Mr. Albert Saychuan CHEOK and Dr. Boh Soon LIM) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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Stock Code: 8061

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For the six months ended 30th June 2007

HIGHLIGHTS

- AcrossAsia Group's turnover increased by 21.0% to HK\$4,035.2 million from HK\$3,335.4 million for the same period in 2006.
- Gross profit grew by 17.6% to HK\$1,075.5 million from HK\$914.4 million for the corresponding period in 2006. Gross profit margin slightly decreased to 26.6% from 27.4% for the corresponding period in 2006.
- Profit from operations surged by 92.0% to HK\$315.5 million from HK\$164.3 million for the comparison period in 2006.
- Total operating expenses (excluding other income and expenses) increased by 21.2% to HK\$969.1 million compared to HK\$799.7 million for the same period in 2006.
- EBITDA (excluding other income and expenses) increased by 39.3% to HK\$341.2 million from HK\$244.9 million for the corresponding period in 2006.
- AcrossAsia Group achieved a profit attributable to the shareholders of the Company of HK\$4.7 million compared to a loss of HK\$5.6 million for the same period in 2006.

HALF-YEAR RESULTS (UNAUDITED)

The Directors of AcrossAsia Limited (the "Company") announce the unaudited condensed consolidated financial statements (the "Financial Statements") of the Company and its subsidiaries (collectively "AcrossAsia Group") for the six months ended 30th June 2007 (the "Half-year Period") together with comparative figures for the corresponding period ended 30th June 2006, as follows:

Condensed Consolidated Income Statement

	Notes	Six months ended 30th June		Three months ended 30th June	
		2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Turnover	2	4,035,184	3,335,440	2,058,572	1,735,032
Cost of goods sold and services rendered		(2,959,695)	(2,421,021)	(1,513,884)	(1,257,436)
Gross profit		1,075,489	914,419	544,688	477,596
Other income	2	209,136	49,587	134,181	15,374
Selling and distribution costs		(307,980)	(258,309)	(140,852)	(148,571)
General and administrative expenses		(661,108)	(541,399)	(327,164)	(265,438)
Profit from operations	4	315,537	164,298	210,853	78,961
Finance costs		(257,418)	(137,107)	(127,886)	(72,717)
Share of results of associates		2,425	3,180	(547)	2,895
Profit before income tax		60,544	30,371	82,420	9,139
Income tax expense	5	(6,796)	(11,480)	(13,031)	(8,383)
Profit for the period		53,748	18,891	69,389	756
Profit/(loss) attributable to:					
Shareholders of the Company	6	4,674	(5,627)	24,109	(9,852)
Minority interests		49,074	24,518	45,280	10,608
		53,748	18,891	69,389	756
Earnings profit/(loss) per share attributable to shareholders of the Company	6				
Basic (HK cents)		0.09	(0.11)	0.48	(0.19)
Diluted (HK cents)		N/A	N/A	N/A	N/A

Condensed Consolidated Balance Sheet

		(Unaudited) As at 30th June 2007 HK\$'000	(Audited) As at 31st December 2006 HK\$'000
	Notes		
ASSETS			
Non-current assets			
Property, plant and equipment	7	2,361,591	2,330,642
Investment properties		137,091	114,633
Interests in associates		39,798	39,458
Available-for-sale financial assets		142,302	141,424
Goodwill		220,096	219,701
Other intangible assets		68,059	66,788
Deferred tax assets		22,511	21,645
Non-current prepayments, deposits and receivables		1,782,058	1,234,726
Due from related companies		37,898	28,619
		4,811,404	4,197,636
Current assets			
Inventories		789,132	736,419
Trade receivables	8	203,644	227,162
Prepayments, deposits and other current assets		315,592	309,152
Financial assets at fair value through profit or loss		492,891	446,938
Pledged bank deposits		8,965	7,541
Cash and bank deposits		1,772,928	1,347,900
		3,583,152	3,075,112
TOTAL ASSETS		8,394,556	7,272,748

<i>Notes</i>	(Unaudited) As at 30th June 2007 HK\$'000	(Audited) As at 31st December 2006 HK\$'000
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Company		
Share capital	506,462	506,462
Reserves	105,608	112,115
	612,070	618,577
Minority interests	2,216,376	1,629,061
Total equity	2,828,446	2,247,638
Non-current liabilities		
Provisions	79,026	83,700
Interest-bearing borrowings	739,323	411,994
Notes payable	1,312,295	1,173,401
Bonds payable	382,783	380,585
Finance lease payables	5,762	4,608
Due to a related company	4,000	4,000
Derivative financial instruments	14,972	45,114
Non-current other payables	51,959	59,040
Deferred tax liabilities	18,604	11,214
	2,608,724	2,173,656
Current liabilities		
Provisions	41,561	44,149
Interest-bearing borrowings	1,223,937	1,180,598
Notes payable	138,647	60,148
Bonds payable	341,265	339,315
Finance lease payables	2,354	2,156
Due to related companies	5,628	6,360
Trade payables	705,634	632,106
Receipts in advance	34,362	29,549
Other payables and accruals	456,988	482,118
Current tax payable	7,010	74,955
	2,957,386	2,851,454
TOTAL EQUITY AND LIABILITIES	8,394,556	7,272,748
NET CURRENT ASSETS	625,766	223,658
TOTAL ASSETS LESS CURRENT LIABILITIES	5,437,170	4,421,294

Condensed Consolidated Statement of Changes in Equity

	Attributable to shareholders of the Company									
	Issued capital HK\$'000	Share premium account HK\$'000	Capital reserve HK\$'000	Equity transactions of associates HK\$'000	Investment revaluation reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total equity HK\$'000
At 1st January 2006	506,462	32,877	1,464,802	7,659	-	(685,616)	(784,710)	541,474	1,421,668	1,963,142
Currency translation differences	-	-	-	(3,731)	-	26,345	-	22,614	79,944	102,558
Net income recognised directly in equity	-	-	-	(3,731)	-	26,345	-	22,614	79,944	102,558
Profit for the period	-	-	-	-	-	-	(5,627)	(5,627)	24,518	18,891
Total recognised income for the period	-	-	-	(3,731)	-	26,345	(5,627)	16,987	104,462	121,449
Dividends paid to minority interests	-	-	-	-	-	-	-	-	(26,480)	(26,480)
At 30th June 2006	506,462	32,877	1,464,802	3,928	-	(659,271)	(790,337)	558,461	1,499,650	2,058,111
At 1st January 2007	506,462	32,877	1,464,802	7,659	12,319	(632,484)	(773,058)	618,577	1,629,061	2,247,638
Rights issues of subsidiaries	-	-	-	-	-	-	-	-	568,749	568,749
Change in equity	-	-	-	-	-	-	-	-	(10,739)	(10,739)
Currency translation differences	-	-	-	-	-	(11,180)	-	(11,180)	3,297	(7,883)
Net income recognised directly in equity	-	-	-	-	-	(11,180)	-	(11,180)	561,307	550,127
Profit for the period	-	-	-	-	-	-	4,674	4,674	49,074	53,748
Total recognised income for the period	-	-	-	-	-	(11,180)	4,674	(6,506)	610,381	603,875
Dividends paid to minority interests	-	-	-	-	-	-	-	-	(23,067)	(23,067)
At 30th June 2007	506,462	32,877	1,464,802	7,659	12,319	(643,664)	(768,384)	612,071	2,216,375	2,828,446

Condensed Consolidated Cash Flow Statement

	Six months ended 30th June	
	2007 HK\$'000	2006 HK\$'000
Net cash inflow from operating activities	341,070	129,661
Net cash outflow from investing activities	(923,489)	(673,962)
Net cash inflow from financing activities	1,005,027	408,727
Net increase/(decrease) in cash and cash equivalents	422,608	(135,574)
Cash and cash equivalents, beginning of period	1,347,900	555,272
Effect of foreign exchange rate changes	2,420	32,858
Cash and cash equivalents, end of period	1,772,928	452,556
Analysis of balances of cash and cash equivalents		
Cash and bank deposits	1,772,928	452,556

Notes:

1. Basis of preparation

The Financial Statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” and the disclosure requirements set out in the GEM Listing Rules. The accounting policies applied in the preparation and presentation of the Financial Statements are consistent with those used in the audited consolidated financial statements for the year ended 31st December 2006 (the “2006 Financial Statements”).

The Financial Statements should be read in conjunction with the 2006 Financial Statements.

The Audit Committee has reviewed the Financial Statements.

2. Turnover and other income

An analysis of AcrossAsia Group’s turnover and other income is as follows:

	Six months ended 30th June		Three months ended 30th June	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Turnover				
Retail	3,588,949	2,947,824	1,862,049	1,532,877
Broadband Services	206,067	163,277	96,485	83,891
IT Solutions	240,168	224,339	100,038	118,264
	4,035,184	3,335,440	2,058,572	1,735,032
Other income				
Interest income	89,061	19,720	45,006	10,808
Rental income	30,218	18,153	20,884	4,566
Unrealised gain on revaluation of financial assets at fair value through profit or loss	67,268	5,916	61,128	–
Exchange gain	12,478	–	–	–
Others	10,111	5,798	7,163	–
	209,136	49,587	134,181	15,374
Total	4,244,320	3,385,027	2,192,753	1,750,406

3. Segment information

(a) Business segments

The following tables present revenue and profit for the period information regarding AcrossAsia Group's business segments for the Half-year Period and the corresponding period in 2006.

(i) The Half-year Period

	Retail <i>HK\$'000</i>	Broadband Services <i>HK\$'000</i>	IT Solutions <i>HK\$'000</i>	Others <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Revenue:						
Sales to external customers	3,588,949	206,067	240,168	-	-	4,035,184
Intersegment sales	-	1,838	10,590	-	(12,428)	-
Total	3,588,949	207,905	250,758	-	(12,428)	4,035,184
Segment results	141,302	12,577	81,870	(6,319)	(2,954)	226,476
Interest income						89,061
Profit from operations						315,537
Finance costs						(257,418)
Share of results of associates	-	-	-	2,425	-	2,425
Profit before tax						60,544
Income tax expense						(6,796)
Profit for the period						53,748

(ii) The corresponding period in 2006

	Retail HK\$'000	Broadband Services HK\$'000	IT Solutions HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Revenue:						
Sales to external customers	2,947,824	163,277	224,339	-	-	3,335,440
Intersegment sales	-	1,239	18,326	-	(19,565)	-
Total	2,947,824	164,516	242,665	-	(19,565)	3,335,440
Segment results	112,567	12,747	21,494	(1,163)	(1,067)	144,578
Interest income						19,720
Profit from operations						164,298
Finance costs						(137,107)
Share of results of associates	-	-	-	3,180	-	3,180
Profit before tax						30,371
Income tax expense						(11,480)
Profit for the period						18,891

(b) Geographical segments

Over 90% of AcrossAsia Group's revenue for the Half-year Period and the corresponding period in 2006 was attributable to its operations in Indonesia. Accordingly, no analysis by geographical segments is presented.

4. Profit from operations

AcrossAsia Group's profit from operations is arrived at after charging:

	Six months ended 30th June		Three months ended 30th June	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Cost of inventories sold	2,853,601	2,333,039	1,462,982	1,214,803
Depreciation of property and equipment	188,807	156,476	97,641	80,786
Depreciation of investment properties	2,796	1,373	2,208	826
Amortisation of intangible assets	15,070	579	7,675	252
Bad debt expense/provision for doubtful debts	110	906	98	900
Net loss/(gain) on disposal of property and equipment	(467)	55	(1,416)	(392)

5. Income tax expense

	Six months ended 30th June		Three months ended 30th June	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Current tax – overseas	3,071	6,656	2,978	4,303
Deferred tax	3,725	4,824	10,053	4,080
	6,796	11,480	13,031	8,383

No provision for Hong Kong profits tax has been made for the Half-year Period (2006: Nil) as AcrossAsia Group did not generate any assessable profits arising in Hong Kong. Taxes charged on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which AcrossAsia Group operates, based on existing legislation, interpretations and practices in respect thereof.

AcrossAsia Group's subsidiaries and associates incorporated and operating in Indonesia are subject to Indonesian income tax at a maximum rate of 30% (2006: 30%) of the individual entities' respective assessable profits in accordance with Indonesian income tax law.

6. Earnings/(loss) per share

The calculation of basic earnings/(loss) per share attributable to the shareholders of the Company is based on the profit attributable to the shareholders of the Company for the Half-year Period of HK\$4,674,000 (2006: loss of HK\$5,627,000) and 5,064,615,385 (2006: 5,064,615,385) ordinary shares in issue during the Half-year Period.

No diluted earnings/(loss) per share are presented as the Company did not have any dilutive potential ordinary shares during the Half-year Period and the corresponding period in 2006.

7. Property, plant and equipment

During the Half-year Period, AcrossAsia Group spent approximately HK\$215,355,000 (2006: HK\$209,900,000) on acquisition of property, plant and equipment.

8. Trade receivables

AcrossAsia Group's trading terms with its customers other than those in Retail segment are mainly on credit. AcrossAsia Group generally allows an average credit period ranging from 30 to 90 days to its customers, except for certain well-established customers where the terms are extended beyond 90 days.

AcrossAsia Group's sales to customers in the Retail segment are mainly on cash basis, either in cash, by debit card or credit card payments. There is no fixed credit policy as their major trade receivables arise from credit card sales and all ages fall into one month.

AcrossAsia Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

An aged analysis of the trade receivables, based on invoice date, is as follows:

	As at 30th June 2007 HK\$'000	As at 31st December 2006 HK\$'000
Within 3 months	187,161	211,637
3 to 6 months	5,363	5,108
Over 6 months	13,405	12,587
	205,429	229,332
Less: Provision for doubtful debts	(2,285)	(2,170)
	203,644	227,162

As at 30th June 2007, trade receivables of AcrossAsia Group included receivables from certain related companies, which were directly or indirectly owned, controlled or influenced by the principal beneficial shareholders of the Company, totalling HK\$9,470,000 (as at 31st December 2006: HK\$8,116,000). The balances were unsecured, interest-free and repayable principally in accordance with normal trading terms.

9. Trade payables

An aged analysis of the trade payables, based on invoice date, is as follows:

	As at 30th June 2007 HK\$'000	As at 31st December 2006 HK\$'000
Within 3 months	686,417	604,559
3 to 6 months	251	5,994
Over 6 months	18,966	21,553
	705,634	632,106

As at 30th June 2007, the trade payables of AcrossAsia Group included payables to certain related companies, which were directly or indirectly owned, controlled or influenced by the principal beneficial shareholders of the Company, totalling HK\$175,000 (as at 31st December 2006: HK\$288,000). The balances were unsecured, interest-free and payable principally in accordance with normal trading terms.

10. Capital commitments

As at 30th June 2007, the Company did not have material capital commitments. As at 31st December 2006, the Company had capital commitments of HK\$244,917,000 in respect of the subscription of rights shares in the rights issues of certain subsidiaries.

11. Contingent liabilities

As at 30th June 2007, the Company had a corporate guarantee to a bank to secure certain banking facilities granted to a subsidiary of the Company, and the facilities' amount utilised was approximately HK\$34,781,000 (as at 31st December 2006: HK\$52,583,000).

12. Material changes

There were no material changes in status to the information relating to liquidity and financial resources, capital structure, commitments, charges on assets, derivative financial instruments, contingent liabilities and exposure to fluctuations in exchange rates of AcrossAsia Group disclosed in the 2006 Financial Statements, save as mentioned in this Report.

13. Related party transactions

Significant related party transactions of AcrossAsia Group are summarised as follows:

	Six months ended 30th June	
	2007 HK\$'000	2006 HK\$'000
Subscription fee income for fast speed Internet access:		
– PT Natrindo Telepon Seluler	19,201	–
Operating lease rentals charged by:		
– PT Lippo Cikarang Tbk	–	1,384
Insurance expense charged to:		
– PT Lippo General Insurance Tbk	–	1,361
Marketing expenses to:		
– Avel Pty. Limited	1,824	3,669
– PT Cosmopolitan Indonesia	–	4,086
Other sales, services and operating expenses:		
– PT Natrindo Telepon Seluler	2,313	–

14. Comparative figures

Certain comparative figures have been reclassified to conform to the Half-year Period's presentation. The new classification of the accounting items was considered to provide a more appropriate presentation of the state of affairs of AcrossAsia Group.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Half-year Period (2006: Nil).

FINANCIAL REVIEW

The results of AcrossAsia Group for the Half-year Period were analysed based on its three core business segments namely, Retail, Broadband Services and IT Solutions.

Turnover

AcrossAsia Group's turnover increased by 21.0% to HK\$4,035.2 million from HK\$3,335.4 million for the same period in 2006. By business segments: turnover from Retail grew by 21.7% to HK\$3,588.9 million from HK\$2,947.8 million for the same period in 2006. The growth was driven by the continuing development of its core businesses; Broadband Services recorded a 26.2% growth in turnover to HK\$206.1 million from HK\$163.3 million for the same period in 2006, mainly attributable to increased income generated from insertion fees and the corporate access network project for a mobile operator; and IT Solutions posted a 7.1% increase in revenue to HK\$240.2 million from HK\$224.3 million compared to the same period in 2006, mainly as a result of improved IT solutions and hardware turnover.

Gross Profit

AcrossAsia Group's gross profit increased by 17.6% to HK\$1,075.5 million from HK\$914.4 million for the corresponding period in 2006. Gross profit margin slightly decreased to 26.6% from 27.4% for the corresponding period in 2006 mainly due to the sales of lower-margin Hypermart business and the low profit margin of IT hardware sales.

Profit from Operations

AcrossAsia Group's profit from operations surged by 92.0% to HK\$315.5 million from HK\$164.3 million for the comparison period in 2006. By business segments: Retail recorded a profit from operations of HK\$141.3 million compared to HK\$112.6 million for the same period in 2006 mainly due to an increase in interest income from bank deposits amounting to HK\$79.3 million (same period in 2006: HK\$37.2 million) and exchange gain of HK\$15.8 million (same period in 2006: exchange loss of HK\$9.4 million); Broadband Services posted a profit from operations of HK\$12.6 million compared to a profit of HK\$12.7 million for the same period in 2006; IT Solutions' profit from operations increased to HK\$81.8 million compared to HK\$21.5 million for the same period in 2006 as a result of an unrealised gain on revaluation of financial assets of HK\$47.7 million and interest income from bank deposits amounting to HK\$13.5 million. Others posted a loss from operations of HK\$6.3 million compared to HK\$1.2 million for the same period in 2006, mainly due to bank charges on the financing of the subscriptions in the rights issues of certain subsidiaries.

Other income (non-core business income) surged by 3.2 times to HK\$209.1 million from HK\$49.6 million for the comparison period in 2006. It comprised: interest income of HK\$89.1 million compared to HK\$19.7 million for the same period in 2006 as a result of an increase in cash proceeds from the rights issues of certain subsidiaries; unrealised gain on revaluation of financial assets at fair value through profit and loss of HK\$67.3 million compared to HK\$5.9 million for the same period in 2006; rental income of HK\$30.2 million from letting space to third parties compared to HK\$18.2 million for the same period in 2006; and exchange gain of HK\$12.5 million as a result of depreciation of United States Dollars versus Indonesian Rupiah.

Total operating expenses (excluding other income and expenses) increased by 21.2% to HK\$969.1 million from HK\$799.7 million for the same period in 2006. The increase was mainly due to opening of new stores as part of the aggressive expansion plan of Retail. Depreciation increased by 21.4% to HK\$191.6 million from HK\$157.8 million for the same period in 2006. Also, wages and salaries totalled HK\$302.5 million, 13.9% higher than HK\$265.7 million for the same period in 2006 as a result of an increase in the number of staff recruited for the new stores.

EBITDA (excluding other income and expenses) increased by 39.3% to HK\$341.2 million from HK\$244.9 million for the same period in 2006.

Share of Results of Associates

AcrossAsia Group's share of the results of associates decreased to HK\$2.4 million from HK\$3.2 million for the corresponding period in 2006.

Profit/(loss) attributable to Shareholders

AcrossAsia Group recorded a profit attributable to the shareholders of the Company of HK\$4.7 million compared to a loss of HK\$5.6 million for the same period in 2006.

BUSINESS REVIEW

AcrossAsia Group continued to focus on its core business operations so as to enhance its leading position as a consumer-oriented service provider through the following major subsidiaries:

Matahari

PT Matahari Putra Prima Tbk ("Matahari", a subsidiary of the Company listed on the Jakarta Stock Exchange and the Surabaya Stock Exchange in which the Company has a 25.6% effective interest), the core of Retail, maintains its position as the largest listed multi-format modern retailer in Indonesia. As of 30th June 2007, it operated 83 Matahari Department Stores, 30 Hypermart stores, 36 Matahari Supermarkets, 9 Kids2Kids children specialty stores, 36 Boston healthcare outlets and more than 96 TimeZone family entertainment centres in over 50 cities across Indonesia. During the Half-year Period, 2 Hypermart stores were opened.

Matahari Department Stores is the largest department store chain in Indonesia. Matahari is in the process of converting its distribution centres into a cross-dock system that can improve its inventory turn time and distribution costs. To capture the market trend, Matahari Department Stores continued to source new merchandise assortments for its customers, and the result was positive.

To better distinguish its supermarket operations from other businesses in Retail and to adapt to the changing shopping style, Matahari launched a new brand of "foodmart" and converted all Matahari Supermarkets into "foodmart" stores. "foodmart" offers higher-level retail services of international standard and modern shopping experience to its valuable customers by providing better product mix from new assortments of international brands. The promotional activities of "foodmart" are continuously launched as one of the competition strategies. The Hypermart business continued to report a two-digit growth in sales.

Recently, Matahari's corporate and bonds' ratings were upgraded to A+/Stable by a rating agency in Indonesia. This can be regarded as a vote of confidence in Matahari's performance.

TimeZone, the Indonesia leader in family entertainment centres, offers conventional and innovative mechanical games and video games for all ages. Several value added promotional activities have been undertaken with some of the world-class manufacturers in soft drink and ice cream businesses.

Matahari successfully completed its rights issue raising Rp1 trillion (approximately HK\$838 million) in January 2007 for the purpose of its long-term aggressive expansion plan.

First Media

PT Broadband Multimedia Tbk (a subsidiary of the Company listed on the Surabaya Stock Exchange in which the Company has a 72.7% effective interest and the core of Broadband Services) changed its name to PT First Media Tbk ("First Media") in June 2007 in conjunction with its launch of a new brand "First Media" which serves to make triple play – high speed Internet, cable TV and data communications – a reality in Indonesia by capitalising on its broadband capabilities. First Media owns and manages HFC (Hybrid Fibre Coaxial) digital and analog broadband networks that provide multimedia services to households and corporations in Indonesia.

As the largest multimedia operator in Indonesia offering more than 90 television channels, First Media operates technologically advanced cable systems. Its fibre-optic cable rings have access to 141 office buildings in Jakarta, while its HFC network has access to 50% of high-income residential homes in Jakarta and Tangerang, 60% of residential apartments and 30% of all office buildings in Jakarta. First Media is currently the sole network provider of the Jakarta Stock Exchange's JATS-Remote Trading project that enables stockbrokers to remotely trade from their respective offices via the fibre-optic network.

As at 30th June 2007, the number of cable TV subscribers was approximately 138,220 with a penetration rate of 42.6%. The network reached over 3,070 km, passing more than 324,196 homes and MDU (multiple dwelling units such as apartments, hospitals and other multi-storey buildings), and covering major residential and central business districts in prime cities in Indonesia. First Media continued to migrate to a fully digital platform. MyNet services provide Internet access to the residential Internet market. As at 30th June 2007, the total number of broadband Internet consumer subscribers was approximately 18,760.

To facilitate business expansion, First Media also successfully completed its rights issue raising approximately Rp220.8 billion (approximately HK\$185.5 million) in February 2007.

Multipolar

PT Multipolar Corporation Tbk (a 51.15% owned subsidiary of the Company listed on the Jakarta Stock Exchange and the Surabaya Stock Exchange and the core of IT Solutions) changed its name to PT Multipolar Tbk ("Multipolar") in July 2007 for statutory compliance.

Multipolar is one of the prominent professional IT solutions providers in Indonesia with four core units: hardware and infrastructure, business solutions, consulting services and outsourcing services.

To cope with ever changing environment in the IT solutions sector, Multipolar offers innovation to its clients with its experienced professionals, world-class IT solutions partners (such as IBM, Cisco System, Sun, Oracle, etc), latest technologies and quality services. Several solutions have been developed, introduced and implemented successfully resulting in an enlarged clientele. Multipolar's outsourcing services unit offers data centre maintenance, Business Process Outsourcing (BPO) ranging from Electronic Data Center (EDC) to Automatic Teller Machine (ATM) and also provides shared services for various applications such as core system, delivery system, document management, facilities management and HR management. The competition in the hardware and infrastructure business was sizzling, but Multipolar was able to maintain its leading position by broadening its clientele. Revenue increased slightly though with thin profit margin. With a variety of services offered and provided to clients from small medium business to larger enterprises, Multipolar managed to steer through the challenges during the Half-year Period.

Multipolar's rights issue was successfully completed in February 2007 raising Rp321.5 billion (approximately HK\$273.4 million) for the purpose of maintaining its interest in Matahari. It distributed a cash dividend of Rp6.8 billion to its shareholders in July 2007.

PROSPECTS

Indonesia's economy is forecast to maintain its growth momentum in the second half of 2007. This should foster growth in retail and corporate spending. AcrossAsia Group will monitor the macro-economic environment while keeping its pace on business development. Matahari will continue its expansion plan in the second half of 2007 by opening 5 Matahari Department Stores, 7 Hypermart stores and 1 "foodmart" stores as well as several supporting format stores.

First Media is continuing to roll out its network to achieve a coverage of 1 million homes. While digitalising its existing analog network, it will launch the new First Media branded services. Multipolar will continue to further enhance its IT businesses.

Financial Resources and Capital Structure

AcrossAsia Group primarily financed its operations with its internally generated cash flows and borrowings during the Half-year Period. As at 30th June 2007, AcrossAsia Group had cash and bank balances and financial assets at fair value through profit and loss of HK\$2,274.8 million. It had net current assets of HK\$625.8 million (as at 31st December 2006: HK\$223.7 million). The total borrowings increased to HK\$2,696.9 million (as at 31st December 2006: HK\$2,322.9 million) and were mainly denominated in Indonesian Rupiah and United States Dollars, with interest generally chargeable at market rates and maturity dates ranging from less than a year to 5 years. Part of the borrowings was secured by certain current assets, land use rights and buildings, machinery and equipment, and available-for-sales financial assets of AcrossAsia Group. During the Half-year Period, AcrossAsia Group implemented and is continuing to implement the following management plan to further improve its financial position: restructuring of current liabilities into non-current liabilities; reduction of operating expenses and improvement of operational efficiency; procurement of long term debt/equity financing; identification and securing of strategic investors as business partners; upgrading of the broadband network and increase of the penetration of the cable TV and other broadband services; development of high margin IT solutions and service offerings; and exploration of new business opportunities that will enhance/implement existing operations. AcrossAsia Group's gearing ratio, representing total borrowings divided by shareholders' funds, was 5.3 times as at 30th June 2007.

As a result of significant operations in Indonesia, AcrossAsia Group has foreign currency exposure mainly in transaction and conversion risks. During the Half-year Period, the foreign currency exposure had no material adverse impact on AcrossAsia Group's results. AcrossAsia Group will continue to take measures to minimize its foreign exchange exposure.

EMPLOYEES

As at 30th June 2007, AcrossAsia Group had approximately 18,300 employees. For the Half-year Period, the staff costs (including Directors' emoluments) were approximately HK\$302.5 million. The remuneration, promotion and salary review of the employees are assessed based on job responsibilities, work performance, professional experiences and prevailing industry practices. AcrossAsia Group's employees in Hong Kong joined the Mandatory Provident Fund Scheme. Other benefits include share options granted or to be granted under the share option, incentive bonus and training schemes.

DISCLOSURE OF INTERESTS IN SECURITIES

Directors and Chief Executive

As at 30th June 2007, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares (in respect of positions held pursuant to equity derivatives) and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as notified to the Company and the Stock Exchange under Rule 5.46 of the GEM Listing Rules or as otherwise required by Rule 23.07 of the GEM Listing Rules were as follows:

Long Position in Shares and Debentures of the Company and Associated Corporations

Mr. Albert Saychuan CHEOK was interested in 2,600,000 shares of the Company (representing approximately 0.05% of the issued share capital thereof).

Saved as disclosed herein, none of the Directors or the chief executive of the Company were interested in any long position in the shares or debentures of the Company or any of its associated corporations.

Long Position in Underlying Shares of the Company and Associated Corporations

(i) Physically settled equity derivatives

Pursuant to the Pre-IPO Share Option Plan of the Company (the "Pre-IPO Plan"), the Directors and the chief executive of the Company were granted on 23rd June 2000 (the "Grant Date") options to subscribe for shares of the Company at a subscription price of HK\$3.28 per share as follows:

Name	Number of underlying shares		Outstanding as of 30th June 2007	Percentage of enlarged issued share capital
	Granted	Lapsed		
Dr. Cheng Wen Cheng	13,150,000	–	13,150,000 ^(Note 1)	0.25
Mr. Kwok Ming Cheung ("Mr Cheung") ^(Note 3)	2,364,000	–	2,364,000 ^(Note 2)	0.04
Mr. Marshall Wallace Cooper	355,000	–	355,000 ^(Note 4)	0.01
Total	15,869,000	–	15,869,000	

Notes:

- 1,330,000 shares became exercisable from 14th January 2001 and 2,364,000 shares from each of 1st June 2001, 1st June 2002, 1st June 2003, 1st June 2004 and 1st June 2005.
- 236,400 shares became exercisable from each of 14th January 2001 and 1st April 2001 and 472,800 shares from each of 1st April 2002, 1st April 2003, 1st April 2004 and 1st April 2005.
- Mr. Cheung resigned as an independent non-executive Director of the Company with effect from 1st July 2007. As a result, his option to subscribe for 2,364,000 shares shall lapse on 31st December 2007.
- 35,500 shares became exercisable from each of 14th January 2001 and 1st April 2001 and 71,000 shares from each of 1st April 2002, 1st April 2003, 1st April 2004 and 1st April 2005.
- The exercise period for all such shares shall end 10 years from the Grant Date (the "Expiry Date").

(ii) *Cash settled and other equity derivatives*

None of the Directors or the chief executive of the Company were interested in any long position in cash settled or other equity derivatives of the Company or any of its associated corporations.

Short Position in Shares, Underlying Shares and Debentures of the Company and Associated Corporations

None of the Directors or the chief executive of the Company were interested in any short position in the shares, underlying shares or debentures of the Company or any of its associated corporations.

Substantial Shareholders

As at 30th June 2007, the interests and short positions of the substantial shareholders of the Company in the shares and underlying shares (in respect of positions held pursuant to equity derivatives) of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long Position in Shares of the Company

Name	Number of shares	Percentage of issued share capital
Grandhill Asia Limited	500,000,000	9.87
Lippo Cayman Limited	3,669,576,788	72.45
Lanius Limited	3,669,576,788	72.45
Dr. Mochtar Riady ("Dr. Riady")	3,669,576,788	72.45
Madam Lidya Suryawaty	3,669,576,788	72.45

Note:

The shares of the Company were held by direct and indirect wholly-owned subsidiaries (including Cyport Limited and its wholly-owned subsidiary, Grandhill Asia Limited) of Lippo Cayman Limited ("Lippo Cayman") and Mideast Pacific Strategic Holdings Limited in which Lippo Cayman controlled a 30% interest. Lanius Limited ("Lanius") was the registered shareholder of the entire issued share capital of Lippo Cayman. Lanius was the trustee of a discretionary trust, of which Dr. Riady is the founder. The beneficiaries of the trust included Dr. Riady and his family members. Dr. Riady was not the registered holder of any shares in the issued share capital of Lanius.

Long Position in Underlying Shares of the Company

None of the substantial shareholders of the Company were interested in any long position in the underlying shares of the Company.

Short Position in Shares and Underlying Shares of the Company

None of the substantial shareholders of the Company were interested in any short position in the shares or underlying shares of the Company.

Other Persons

As at 30th June 2007, no other persons had any interests or short positions in the shares or underlying shares (in respect of positions held pursuant to equity derivatives) of the Company according to the registers required to be kept by the Company under the SFO.

SHARE OPTIONS

As at 30th June 2007, options granted on the Grant Date to 11 participants (other than the Directors of the Company) to subscribe for an aggregate of 12,766,000 shares of the Company at a subscription price of HK\$3.28 per share were outstanding. The option for each grantee is exercisable in accordance with the Pre-IPO Plan at any time during a period commencing from the respective commencement dates and ending on the Expiry Date in accordance with the following schedule:

<u>Commencement date</u>	<u>Percentage of underlying shares</u>
14th January 2001	10
1st April 2001	10
1st April 2002	20
1st April 2003	20
1st April 2004	20
1st April 2005	20

The following options under the Pre-IPO Plan were outstanding during the Half-year Period:

Participant	Number of underlying shares		
	As at 1st January 2007	Lapsed during the period	As at 30th June 2007
Directors	15,869,000	–	15,869,000
Others	12,766,000	–	12,766,000
Total	28,635,000	–	28,635,000

The Company also has a share option scheme adopted on 14th May 2002 (the “2002 Scheme”) under which employees of AcrossAsia Group (including the Directors of the Company) and other persons may be granted on or after 15th May 2002 options to subscribe for shares of the Company subject to the terms and conditions stipulated in the 2002 Scheme. No options had been granted under the 2002 Scheme as at 30th June 2007.

COMPETING INTERESTS

The Lippo Group (a general reference to the companies (including Lippo Cayman) in which Dr. Riady and his family have a direct or indirect interest; the Lippo Group is not a legal entity and does not operate as one; each of the companies in the Lippo Group operates within its own legal, corporate and financial framework) might have had or developed interests in businesses in Hong Kong and other parts in Asia similar to those of AcrossAsia Group during the Half-year Period. There was a chance that such businesses might have competed with AcrossAsia Group during the Half-year Period.

Save as disclosed herein, the Directors are not aware of any business or interest of the Directors, the management shareholders and their respective associates (as defined under the GEM Listing Rules) that have competed or may compete with the business of AcrossAsia Group and any other conflicts of interests which any such person had or may have with AcrossAsia Group.

AUDIT COMMITTEE

The Board established an audit committee (the “Audit Committee”) on 23rd June 2000 with written terms of reference in accordance with Rules 5.28 and 5.29 of the GEM Listing Rules. The primary duties of the Audit Committee are, inter alia, to review and monitor the financial reporting and audit matters as well as the financial control, internal control and risk management systems of AcrossAsia Group. The Audit Committee has met three times this year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the Half-year Period, there was no purchase, sale or redemption of the shares of the Company by the Company or any of its subsidiaries.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has implemented measures to meet the Code on Corporate Governance Practices set out in Appendix 15 to the GEM Listing Rules (the "CG Code"). To the knowledge of the Directors, they consider that the Company has applied the principles of the CG Code and to certain extent, of the recommended best practices thereof and are not aware of any non-compliance with the CG Code during the Half-year Period.

Following the resignation of Mr. Cheung as an independent non-executive Director of the Company with effect from 1st July 2007, the Board includes only two independent non-executive Directors and the Audit Committee only comprises two members. Pursuant to Rule 5.05 and Rule 5.28 of the GEM Listing Rules, the Company is required to have at least three independent non-executive Directors and at least three members for the Audit Committee, respectively. The Board has been looking for a suitable candidate to fill the aforesaid vacancies as soon as practicable according to the GEM Listing Rules.

SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company, having made specific enquiry of all the Directors, was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the Half-year Period.

By Order of the Board
Marshall Wallace Cooper
Director and Chief Executive Officer

Hong Kong, 13th August 2007