



ACROSSASIA LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8061)

First
Quarterly
Report
2008



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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, Dr. Boh Soon LIM and Mr. Kwong Yiu MAK) 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

First Quarterly Report 2008

For The Three Months Ended 31st March 2008

HIGHLIGHTS

- AcrossAsia Group's turnover increased by 16.9% to HK\$2,310.9 million for the Three-month Period from HK\$1,976.6 million for the same period in 2007.
- Gross profit increased by 20.1% to HK\$637.6 million from HK\$530.8 million for the corresponding period in 2007. Gross profit margin slightly improved to 27.6% from 26.9% for the corresponding period in 2007.
- Profit from operations increased by 3.5% to HK\$108.4 million from HK\$104.7 million for the comparison period in 2007.
- Operating expenses (excluding other income and expenses) increased by 24.6% to HK\$621.7 million compared to HK\$499.1 million for the same period in 2007.
- EBITDA (excluding other income and expenses) slightly increased by 2.7% to HK\$156.5 million from HK\$152.4 million for the corresponding period in 2007.
- AcrossAsia Group recorded a loss attributable to shareholders of the Company of HK\$2.2 million compared to HK\$19.4 million for the comparison period in 2007.

FIRST QUARTERLY RESULTS (UNAUDITED)

The Directors of AcrossAsia Limited (the "Company") announce the unaudited consolidated results of the Company and its subsidiaries (collectively "AcrossAsia Group") for the three months ended 31st March 2008 (the "Three-month Period") together with comparative figures for the corresponding period ended 31st March 2007, as follows:

		Three months ended 31st March	
		2008	2007
		HK\$'000	HK\$'000
	<i>Notes</i>		
Turnover	2	2,310,868	1,976,612
Cost of goods sold and services rendered		(1,673,310)	(1,445,811)
Gross profit		637,558	530,801
Other income		92,471	72,994
Selling and distribution costs		(228,365)	(167,128)
General and administrative expenses		(393,313)	(331,983)
Profit from operations		108,351	104,684
Finance costs		(110,878)	(129,532)
Share of profits of associates		1,105	2,972
Loss before tax		(1,422)	(21,876)
Income tax benefit	3	2,450	6,235
Profit/(loss) for the period		1,028	(15,641)
Profit/(loss) attributable to:			
Shareholders of the Company	4	(2,216)	(19,435)
Minority interests		3,244	3,794
		1,028	(15,641)
Loss per share attributable to shareholders of the Company	4		
Basic (<i>HK cents</i>)		(0.04)	(0.38)
Diluted (<i>HK cents</i>)		N/A	N/A

Notes:

1. Basis of preparation

The unaudited consolidated results have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the applicable disclosures required by the GEM Listing Rules and the Hong Kong Companies Ordinance. All significant intra-group transactions have been eliminated on consolidation.

The audit committee has reviewed the unaudited consolidated results of AcrossAsia Group for the Three-month Period.

2. Segment information

An analysis of AcrossAsia Group's revenue and profit information on business segments for the Three-month Period and the corresponding period in 2007 is as follows:

(a) Business segments

(i) The Three-month Period

	Broadband				Elimination HK\$'000	Consolidated HK\$'000
	Retail HK\$'000	Services HK\$'000	IT Solutions HK\$'000	Others HK\$'000		
Revenue:						
Sales to external customers	2,078,542	106,916	125,410	–	–	2,310,868
Intersegment sales	–	5,387	6,608	–	(11,995)	–
Total	2,078,542	112,303	132,018	–	(11,995)	2,310,868
Segment results	21,650	10,315	(13,539)	(2,457)	(89)	15,880
Other income						92,471
Profit from operations						108,351
Finance costs						(110,878)
Share of profits of associates	–	–	–	1,105	–	1,105
Loss before tax						(1,422)

(ii) *The corresponding period in 2007*

	Broadband			Others	Elimination	Consolidated
	Retail	Services	IT Solutions			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue:						
Sales to external customers	1,726,900	109,582	140,130	-	-	1,976,612
Intersegment sales	-	1,087	3,742	-	(4,829)	-
Total	1,726,900	110,669	143,872	-	(4,829)	1,976,612
Segment results	21,235	881	15,880	(5,707)	(599)	31,690
Other income						72,994
Profit from operations						104,684
Finance costs						(129,532)
Share of profits of associates	-	-	-	2,972	-	2,972
Loss before tax						(21,876)

(b) Geographical segments

Over 90% of AcrossAsia Group's revenue is derived from customers and operations based in Indonesia and accordingly, no further analysis of AcrossAsia Group's geographical segment are disclosed.

3. Income tax benefit

	Three months ended	
	31st March	
	2008	2007
	HK\$'000	HK\$'000
Current income – overseas	(7,517)	(98)
Deferred tax benefit	9,967	6,333
	2,450	6,235

No provision for Hong Kong Profits Tax is required since AcrossAsia Group's income is derived from overseas sources which is not liable to Hong Kong Profits Tax (2007: Nil).

Taxes charge 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, interpretation and practices in respect thereof.

The Company's subsidiaries incorporated and operating in Indonesia are subject to Indonesian income tax at a maximum rate of 30% (2007: 30%) of the individual entities' respective assessable profits in accordance with Indonesian income tax law.

4. Loss per share

The calculation of basic loss per share attributable to shareholders of the Company is based on the loss attributable to shareholders of the Company for the Three-month Period of HK\$2,216,000 (2007: HK\$19,435,000) and 5,064,615,385 (2007: 5,064,615,385) ordinary shares in issue for the Three-month Period.

No diluted loss per share are presented as the Company did not have any dilutive potential ordinary share for the Three-month Period and the corresponding period in 2007.

5. Reserves

	Attributable to shareholders of the Company								
	Share		Capital	Equity	Investment	Translation	Accumulated	Minority	
	premium	reserve	of associates	revaluation	reserve	losses	Total	interests	Total
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st January 2007	32,877	1,464,802	7,659	12,319	(632,484)	(773,058)	112,115	1,629,061	1,741,176
Changes in equity transactions	-	-	(10,930)	-	-	-	(10,930)	(10,625)	(21,555)
Rights issue of subsidiaries	-	-	-	-	-	-	-	564,386	564,386
Currency translation differences	-	-	-	-	(12,523)	-	(12,523)	(8,651)	(21,174)
Net income and expenses recognised directly in equity	-	-	(10,930)	-	(12,523)	-	(23,453)	545,110	521,657
Profit/(loss) for the period	-	-	-	-	-	(19,435)	(19,435)	3,794	(15,641)
Total recognised income and expenses for the period	-	-	(10,930)	-	(12,523)	(19,435)	(42,888)	548,904	506,016
At 31st March 2007	32,877	1,464,802	(3,271)	12,319	(645,007)	(792,493)	69,227	2,177,965	2,247,192
At 1st January 2008	32,877	1,464,802	7,659	(17,529)	(652,979)	(709,721)	125,109	2,457,147	2,582,256
Currency translation differences	-	-	-	-	34,072	-	34,072	7,901	41,973
Net income recognised directly in equity	-	-	-	-	34,072	-	34,072	7,901	41,973
Profit/(loss) for the period	-	-	-	-	-	(2,216)	(2,216)	3,244	1,028
Total recognised income and expenses for the period	-	-	-	-	34,072	(2,216)	31,856	11,145	43,001
At 31st March 2008	32,877	1,464,802	7,659	(17,529)	(618,907)	(711,937)	156,965	2,468,292	2,625,257

6. Comparative figures

Certain comparative figures have been reclassified to conform to the current period's presentation.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Three-month Period (2007: Nil).

FINANCIAL REVIEW

Retail, Broadband Services and IT Solutions are core businesses of AcrossAsia Group. Its results for the Three-month Period were analysed and reported based on its core business segments.

Turnover

AcrossAsia Group's turnover increased by 16.9% to HK\$2,310.9 million from HK\$1,976.6 million for the same period in 2007. By business segments, Retail posted a turnover of HK\$2,078.5 million compared to HK\$1,726.9 million for the same period in 2007, an increase of 20.4% which was mainly due to the growth from its core businesses. Broadband Services' turnover slightly decreased by 2.5% to HK\$106.9 million from HK\$109.6 million for the same period in 2007. For the same period in 2007, an income generated from an ad-hoc corporate access network project for a mobile operator was recognised where turnover from its core business was HK\$92.5 million. Excluding such income, turnover increased by 15.6% from the said HK\$92.5 million for the same period in 2007 to HK\$106.9 million as a result of the launch of Triple-play services. IT Solutions reported a turnover of HK\$125.4 million, 10.5% lower than HK\$140.1 million for the same period in 2007 mainly due to a drop in sales of hardware equipment and the project-based nature of the business.

Gross Profit

AcrossAsia Group's gross profit increased by 20.1% to HK\$637.6 million from HK\$530.8 million for the same period in 2007. Gross profit margin slightly improved to 27.6% compared to 26.9% for the corresponding period in 2007, it was mainly due to cost controls over product mix in Retail.

Profit from Operations

AcrossAsia Group recorded a profit from operations (including other income) of HK\$108.4 million, an increase of 3.5% compared to HK\$104.7 million for the corresponding period in 2007.

Other income (non-core business income) increased by 26.7% to HK\$92.5 million from HK\$73.0 million. Interest income increased by 20.9% to HK\$53.3 million compared to HK\$44.1 million for the same period in 2007. It was mainly due to an increase in cash generated from core businesses and the money set aside for the purpose of continuous expansion. Income from letting space to third parties increased by 1.7 times to HK\$25.4 million compared to HK\$9.3 million for the same period in 2007 as a result of continuous expansion of Retail.

Total operating expenses increased by 24.6% to HK\$621.7 million from HK\$499.1 million compared to the same period in 2007. Selling and distribution expenses increased by 36.7% to HK\$228.4 million from HK\$167.1 million for the same period in 2007, such an increase was mainly due to increase in rental and marketing expenses for Retail. General and Administrative expenses increased by 18.5% to HK\$393.3 million from HK\$332.0 million for the same period in 2007 as a result of increase in wages and salaries and utilities expenses for store operations.

AcrossAsia Group's EBITDA (excluding other income and expenses) increased slightly by 2.7% to HK\$156.5 million from HK\$152.4 million for the corresponding period in 2007.

Share of Results of Associates

AcrossAsia Group's share of results of associates decreased to HK\$1.1 million compared to HK\$3.0 million for the same period in 2007.

Loss attributable to Shareholders

AcrossAsia Group posted a loss attributable to the shareholders of the Company of HK\$2.2 million compared to HK\$19.4 million for the same period in 2007.

BUSINESS REVIEW

AcrossAsia Group has implemented a variety of measures to strengthen its core businesses so as to capture the potential growth in Retail, Broadband Services and IT Solutions. The business performance of its core businesses showed improvement, and is reported as follows:

Matahari

PT Matahari Putra Prima Tbk (“Matahari”, a subsidiary of the Company listed on the Indonesia Stock Exchange in which the Company has a 25.6% effective interest), the core of Retail, maintains its status as the largest listed multi-format modern retailer in Indonesia. As of 31st March 2008, it operated 79 Matahari Department Stores, 38 Hypermart stores, 31 foodmart stores, 46 Boston healthcare outlets and 88 TimeZone family entertainment centres in over 50 cities across Indonesia. During the Three-month Period, 2 new Hypermart stores were opened.

As the largest department store chain in Indonesia, Matahari Department Stores continued sourcing new merchandise assortments, with a focus on private brands, so that its consumers’ behavioural change can be captured and the quality of lifestyle of its customers can be further enhanced. Private brands such as NEVADA, Cole, Hardy Amies, ANNISA, details and super T exclusively marketed at Matahari Department Stores have already won widespread recognition among its valued customers in terms of their respective quality and distinctive features.

During the Three-month Period, Matahari demonstrated its outstanding sales performance with substantial growth which presented a record achievement within the retail industries in the Asia Pacific region.

TimeZone, as a leading position in family entertainment centres in Indonesia, offers innovative and revolutionary mechanical and video games for all ages. TimeZone continued its focus on bringing and driving new excitements to the customers at all levels.

Matahari’s corporate and bonds’ ratings were maintained at B+/Stable (S&P’s); A1/Stable (Moody’s) and A+/Stable (PEFINDO).

First Media

PT First Media Tbk (“First Media”, a subsidiary of the Company listed on the Indonesia Stock Exchange in which the Company has a 72.7% effective interest) is the flagship of Broadband Services.

First Media offers a new lifestyle of experience and connectivity to its valued customers in Indonesia through Triple-play, namely FastNet, HomeCable & DataComm. FastNet, an unlimited high speed Internet access service, provides a variety of connection speeds with smart values; HomeCable offers a wide range of local and international TV channels covering news, movies, lifestyle, entertainment, sports, music, education and kids; DataComm offers high-level business solutions by rendering reliable and efficient broadband services to its institutional clients.

As at 31st March 2008, the network reached approximately 4,000 km and passed through approximately 429,000 homes and MDU (multiple dwelling units such as apartments, hospitals and other multi-storey buildings), with widespread coverage of the major residential and central business districts in greater Metropolitan Jakarta and other prime cities in Indonesia.

The cable TV subscribers amounted to approximately 148,000 representing a penetration rate of 34.4%. To further boost its market share, First Media recently launched the new products entitled “HomeCable 66” and “HomeCable 33” respectively. Through the recent unveiling of 2-in-1 service package which combines FastNet Internet service with either HomeCable 33 (33 TV channels) or HomeCable 66 (66 TV channels) as well as an array of add-on channels in accordance with the individuals’ personal preferences, First Media continued to further increase its penetration rate.

Currently, First Media has approximately 58,000 broadband Internet subscribers. First Media continues to be the sole network provider of the Indonesia Stock Exchange’s JATS-Remote Trading project enabling the stockbrokers to remotely trade from their respective offices via the fibre-optic network.

Multipolar

PT Multipolar Tbk (“Multipolar”, a 51.15% owned subsidiary of the Company listed on the Indonesia Stock Exchange), being the core of IT Solutions, 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.

Multipolar offers innovative and reliable services to its clients with its experienced and sophisticated teams, world-class prestigious IT solutions partners such as IBM, Cisco Systems, Sun and Oracle, advanced technologies and high quality of services. Its range of services can provide a great variety of solutions to different clientele, ranging from small and medium enterprises to large corporations. Several IT solutions have been developed, introduced and implemented to suit various corporate needs.

Multipolar's outsourcing services unit has shown significant growth with three core offerings – data centre shared facilities, field services and micro-payment. Such offerings consist of data centre maintenance and Business Process Outsourcing (BPO) ranging from Electronic Data Center (EDC) to Automatic Teller Machine (ATM), as well as providing shared services for a wide range of applications such as core banking system, financial system, document management, facilities management and HR management.

Through strategic expansion of market share to the sectors other than banking and finance, further development of IT services as well as management of the operational costs, Multipolar's market position as a leading and trustworthy IT solutions provider has been further strengthened. On this basis, Multipolar has earned many awards and a high level of confidence from a number of leading organizations in the region.

PROSPECTS

AcrossAsia Group will continue to focus on its core businesses while staying alert of the changing market conditions.

Matahari will continue its expansion plan by opening 7 new Matahari Department Stores, more than 10 new Hypermart stores and several supporting format stores including TimeZone family entertainment centres. First Media will focus on penetration of its core businesses via Triple-play services. Multipolar will continue to focus on its core businesses and other value added services to further broaden its clientele and IT businesses.

DISCLOSURE OF INTERESTS IN SECURITIES

Directors and Chief Executive

As at 31st March 2008, 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).

Save 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 31st March 2008	Percentage of enlarged issued share capital
	Granted	Lapsed		
Dr. Cheng Wen Cheng	13,150,000	–	13,150,000 ^(Note 1)	0.25
Mr. Marshall Wallace Cooper	355,000	–	355,000 ^(Note 2)	0.01
Total	13,505,000	–	13,505,000	

Notes:

1. *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.*
2. *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.*
3. *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 31st March 2008, 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 31st March 2008, 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 31st March 2008, 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:

Commencement date	Percentage of underlying shares
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 Three-month Period:

Participant	Number of underlying shares		
	As at 1st January 2008	Lapsed during the period	As at 31st March 2008
Directors	13,505,000	–	13,505,000
Others	12,766,000	–	12,766,000
Total	26,271,000	–	26,271,000

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 31st March 2008.

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 Three-month Period. There was a chance that such businesses might have competed with AcrossAsia Group during the Three-month 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 twice this year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SHARES

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

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

Hong Kong, 13th May 2008