

ACROSS ASIA LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 8061)

2009
First Quarterly Report

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the Directors of AcrossAsia Limited (the “Company”) (namely, executive Director: Mr. Marshall Wallace COOPER; 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.

First Quarterly Report 2009

For The Three Months Ended 31st March 2009

HIGHLIGHTS

- AcrossAsia Group's turnover decreased by 7.7% to HK\$2,133.6 million for the Three-month Period from HK\$2,310.9 million for the same period in 2008.
- Gross profit decreased by 11.7% to HK\$562.8 million from HK\$637.6 million for the corresponding period in 2008. Gross profit margin dropped to 26.4% from 27.6% for the corresponding period in 2008.
- Profit from operations decreased by 3.0% to HK\$105.1 million from HK\$108.4 million for the comparison period in 2008.
- Total operating expenses slightly decreased by 0.9% to HK\$563.2 million from HK\$568.1 million for the corresponding period in 2008.
- AcrossAsia Group recorded a loss attributable to shareholders of the Company of HK\$27.2 million compared to HK\$2.2 million for the comparison period in 2008.

FIRST QUARTERLY RESULTS (UNAUDITED)

The Directors of AcrossAsia Limited (the “Company”) announce the unaudited income statement and statement of comprehensive income of the Company and its subsidiaries (collectively “AcrossAsia Group”) for the three months ended 31st March 2009 (the “Three-month Period”) together with comparative figures for the corresponding period ended 31st March 2008 as follows:

Income Statement of AcrossAsia Group

		Three months ended	
		31st March	
		2009	2008
	<i>Note</i>	HK\$'000	HK\$'000
Turnover	2	2,133,589	2,310,868
Cost of goods sold and services rendered		(1,570,826)	(1,673,310)
Gross profit		562,763	637,558
Other income		99,146	74,403
Net exchange loss		(103,843)	(35,491)
Net fair value gain on derivative financial instruments		110,240	–
Selling and distribution expenses		(199,817)	(203,458)
General and administrative expenses		(363,412)	(364,661)
Profit from operations		105,077	108,351
Finance costs		(147,709)	(110,878)
Share of profit of associates		402	1,105
Loss before tax		(42,230)	(1,422)
Income tax benefit	3	18,847	2,450
(Loss)/profit for the period		(23,383)	1,028
(Loss)/profit attributable to:			
Shareholders of the Company	4	(27,157)	(2,216)
Minority interests		3,774	3,244
		(23,383)	1,028
Loss per share attributable to Shareholders of the Company			
Basic (HK cents)	4	(0.54)	(0.04)
Diluted (HK cents)	4	N/A	N/A

Statement of Comprehensive Income of AcrossAsia Group

	Three months ended 31st March	
	2009 HK\$'000	2008 HK\$'000
(Loss)/profit for the period	(23,383)	1,028
Other comprehensive income:		
Available-for-sale financial assets	(15,518)	–
Cash flow hedges	1,102	–
Currency translation differences	(132,167)	41,973
Total comprehensive (loss)/income for the period	(169,966)	43,001
Total comprehensive (loss)/income attributable to:		
Shareholders of the Company	(122,640)	31,856
Minority interests	(47,326)	11,145
	(169,966)	43,001

Notes:

1. Principal accounting policies

The unaudited consolidated results have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) and International Accounting Standards (“IASs”) issued by the International Accounting Standards Board and the applicable disclosures required by the GEM Listing Rules and the Hong Kong Companies Ordinance. AcrossAsia Group has adopted certain new/revised IFRSs and IASs as follows:

IFRS 8	“Operating Segments”
IAS 1 (Revised)	“Presentation of Financial Statements”
IAS 27 Amendments	Amendments to “Consolidated and Separate Financial Statements”

The adoption of the above new/revised IFRSs and IASs has no material impact on the accounting policies of AcrossAsia Group and the methods of computation of AcrossAsia Group’s consolidated results.

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 other income and expense items on operating segments for the Three-month Period and the corresponding period in 2008 is as follows:

(a) Operating segments

(i) The Three-month Period

	Retails HK\$'000	Broadband Services HK\$'000	IT Solutions HK\$'000	Corporate Function HK\$'000	Elimination HK\$'000	2009 HK\$'000
Turnover	1,926,667	112,725	93,791	3,568	(3,162)	2,133,589
Cost of goods sold and services rendered	(1,443,562)	(53,951)	(73,694)	(2,649)	3,030	(1,570,826)
Gross profit	483,105	58,774	20,097	919	(132)	562,763
Other income	80,929	3,311	14,789	117	–	99,146
Net exchange loss	(52,108)	(25,066)	(25,266)	(1,403)	–	(103,843)
Net fair value gain on derivative financial instruments	104,059	–	6,181	–	–	110,240
Selling and distribution expenses	(189,380)	(8,541)	(1,888)	(303)	295	(199,817)
General and administrative expenses	(302,140)	(49,021)	(9,616)	(2,619)	(16)	(363,412)
Profit/(loss) from operations	124,465	(20,543)	4,297	(3,289)	147	105,077
Finance costs	(109,797)	(10,989)	(21,033)	(5,890)	–	(147,709)
Share of profit/(loss) of associates	402	–	(7,101)	–	7,101	402
(Loss)/profit before tax	15,070	(31,532)	(23,837)	(9,179)	7,248	(42,230)
Income tax benefit/(expense)	8,618	11,300	(1,071)	–	–	18,847
(Loss)/profit for the period	23,688	(20,232)	(24,908)	(9,179)	7,248	(23,383)

(ii) *The corresponding period in 2008*

	Retails HK\$'000	Broadband Services HK\$'000	IT Solutions HK\$'000	Corporate Function HK\$'000	Elimination HK\$'000	2008 HK\$'000
Turnover	2,078,542	105,474	132,017	6,829	(11,994)	2,310,868
Cost of goods sold and services rendered	(1,521,226)	(49,477)	(109,578)	(4,534)	11,505	(1,673,310)
Gross profit	557,316	55,997	22,439	2,295	(489)	637,558
Other income	50,908	381	18,448	4,666	–	74,403
Net exchange (loss)/gain	(50,649)	226	14,067	865	–	(35,491)
Selling and distribution expenses	(187,138)	(13,240)	(2,557)	(523)	–	(203,458)
General and administrative expenses	(302,104)	(37,474)	(11,339)	(5,597)	(8,147)	(364,661)
Profit from operations	68,333	5,890	41,058	1,706	(8,636)	108,351
Finance costs	(74,423)	(2,755)	(27,520)	(6,180)	–	(110,878)
Share of profit of associates	337	–	372	–	396	1,105
(Loss)/profit before tax	(5,753)	3,135	13,910	(4,474)	(8,240)	(1,422)
Income tax benefit/(expense)	17,861	(952)	(14,459)	–	–	2,450
Profit/(loss) for the period	12,108	2,183	(549)	(4,474)	(8,240)	1,028

(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 segments is disclosed.

3. Income tax benefit

	Three months ended 31st March	
	2009	2008
	HK\$'000	HK\$'000
Current tax – overseas	(5,474)	(7,517)
Deferred tax	24,321	9,967
	18,847	2,450

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 (2008: Nil).

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, 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 28% (2008: 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\$27,157,000 (2008: HK\$2,216,000) and 5,064,615,385 (2008: 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 2008.

5. Statement of Changes in Equity of AcrossAsia Group for the Three-month Period

	Attributable to shareholders of the Company										
	Issued capital	Share premium	Capital reserve	Equity transactions of associates	Hedging reserve	Investment revaluation reserve	Translation reserve	Accumulated losses	Total	Minority interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st January 2008	506,462	32,877	1,464,802	7,659	-	(17,529)	(652,979)	(709,721)	631,571	2,457,147	3,088,718
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	34,072	(2,216)	31,856	11,145	43,001
At 31st March 2008	506,462	32,877	1,464,802	7,659	-	(17,529)	(618,907)	(711,937)	663,427	2,468,292	3,131,719
At 1st January 2009	506,462	32,877	1,464,802	7,659	(6,517)	(20,310)	(736,371)	(829,377)	419,225	1,904,252	2,323,477
Total comprehensive income/(loss) for the period	-	-	-	-	735	(3,188)	(93,030)	(27,157)	(122,640)	(47,326)	(169,966)
At 31st March 2009	506,462	32,877	1,464,802	7,659	(5,782)	(23,498)	(829,401)	(856,534)	296,585	1,856,926	2,153,511

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 (2008: 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 operating segments.

Turnover

AcrossAsia Group's turnover decreased by 7.7% to HK\$2,133.6 million from HK\$2,310.9 million for the same period in 2008. By operating segments, Retail posted a turnover of HK\$1,926.6 million, a 7.3% decrease from the HK\$2,078.5 million for the same period in 2008. Broadband Services' turnover increased by 6.9% to HK\$112.7 million from HK\$105.5 million for the same period in 2008 as a result of the launch of Triple-play services. IT Solutions reported a turnover of HK\$93.8 million, 29.0% lower than the turnover of HK\$132.0 million for the corresponding period in 2008 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 decreased by 11.7% to HK\$562.8 million from HK\$637.6 million for the same period in 2008. Gross profit margin dropped to 26.4% compared to 27.6% for the corresponding period in 2008. It was mainly due to lower margin from saleable merchandise in Retail.

Profit from Operations

AcrossAsia Group recorded a profit from operations of HK\$105.1 million with a decrease of 3.0% compared to HK\$108.4 million for the corresponding period in 2008.

Other income (non-core business income) increased by 33.3% to HK\$99.1 million from HK\$74.4 million. For the Three-month Period, AcrossAsia Group recorded a net exchange loss of HK\$103.8 million (2008: HK\$35.5 million) which was fully offset by a net fair value gain on derivative financial instruments of HK\$110.2 million (2008: Nil).

Total operating expenses decreased by 0.9% to HK\$563.2 million from HK\$568.1 million compared to the same period in 2008.

Share of Profit of Associates

AcrossAsia Group's share of results of associates decreased to HK\$0.4 million compared to HK\$1.1 million for the same period in 2008.

Loss attributable to Shareholders

AcrossAsia Group posted a loss attributable to the shareholders of the Company of HK\$27.2 million compared to HK\$2.2 million for the same period in 2008.

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 Indonesia Stock Exchange in which the Company has an approximately 25.6% effective interest), the core of Retail, maintains its position as the largest listed multi-format modern retailer in Indonesia. As of 31st March 2009, it operated 86 Matahari Department Stores, 43 Hypermart stores, 26 foodmart stores, 51 Boston healthcare outlets, 79 TimeZone family entertainment centres and 10 Times international bookstores in over 50 cities across Indonesia. During the Three-month Period, 1 new Matahari Department Store, 2 new Hypermart stores and several new Times international bookstores were opened.

The sales for the Three-month Period was augmented by the continuing growth of Matahari's two core businesses, the Department Stores Group and the Food Group. Their businesses have shown resilience despite the increasingly challenging markets in the present difficult economic climate. Matahari's management will look to its medium term and long term for further strengthening strategies on marketing, better merchandising selection, procurement strategy and vendors' support.

First Media

PT First Media Tbk ("First Media", a subsidiary of the Company listed on the Indonesia Stock Exchange in which the Company has an approximately 72.4% 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 and 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.

As of 31st March 2009, the network reached more than 4,800 km and passed through more than 496,000 homes and MDUs (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 127,500 representing a penetration rate of 26%. In its continuing efforts to improve penetration rate, First Media continues to introduce innovative inter-linked products to customers.

Currently, First Media has approximately 118,800 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", an approximately 51.2% 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 services to its clients with its experienced teams, world-class IT solutions partners (such as IBM, Cisco Systems, Sun, and Oracle), latest technologies and quality services. Its range of services can provide different solutions to different clientele, ranging from small and medium business to larger enterprises. Several solutions have been developed, introduced and implemented to suit different corporate needs.

Multipolar's outsourcing services unit which offers integrated IT outsourcing services with nationwide support in 28 cities within Indonesia has shown significant growth with three core offerings – data centre shared facilities, field services and micro-payment. Such offerings comprise data centre maintenance and Business Process Outsourcing (BPO) ranging from Electronic Data Center (EDC) to Automatic Teller Machine (ATM), and also provide shared services for various applications such as core banking system, financial system, document management, facilities management and HR management.

PROSPECTS

Matahari intends to continue its stores expansion programme by opening new department stores, hypermarkets and format outlets including TimeZone entertainment centres and Times international bookstores. However, in the light of the current adverse economic situation, Matahari will closely monitor this expansion programme and if necessary, will adjust its expansion pace by reference to the financial and economic conditions as well as the consumer demand prevailing from time to time.

First Media will continue to focus on the penetration of its core businesses through provision of Triple-play services. Multipolar will continue to focus on its core IT business and other value added services to further enhance its clientele and performance.

DISCLOSURE OF INTERESTS IN SECURITIES

Directors and Chief Executive

As at 31st March 2009, 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 2009	Percentage of enlarged issued share capital
	Granted	Lapsed		
Mr. Marshall Wallace Cooper	355,000	–	355,000 ^(Note 1)	0.01
Total	355,000	–	355,000	

Notes:

- 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”).
- Dr. Cheng Wen Cheng resigned as a non-executive Director of the Company with effect from 29th October 2008. As a result, his option to subscribe for 13,150,000 shares lapsed on 28th April 2009.

(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 2009, 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 2009, 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 2009, options granted on the Grant Date to 10 participants (other than the Directors of the Company) to subscribe for an aggregate of 11,584,000 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 2009	Lapsed during the period	As at 31st March 2009
Directors (including a resigned Director)	13,505,000	–	13,505,000
Others	11,584,000	–	11,584,000
Total	25,089,000	–	25,089,000

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 2009.

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, 12th May 2009