

# ACROSS ASIA LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

*(Stock Code : 8061)*

2009  
Half-year Report

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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.*

## HALF-YEAR REPORT 2009

For the six months ended 30th June 2009

### HIGHLIGHTS

- AcrossAsia Group's turnover decreased by 0.9% to HK\$4,792.1 million for the Half-year Period from HK\$4,836.7 million for the same period in 2008.
- Gross profit decreased by 1.1% to HK\$1,284.5 million from HK\$1,298.7 million for the corresponding period in 2008. Gross profit margin slightly reduced to 26.8% from 26.9% for the corresponding period in 2008.
- Profit from operations increased by 56.0% to HK\$373.6 million from HK\$239.5 million for the corresponding period in 2008.
- Total operating expenses (excluding other income and expenses) increased by 11% to HK\$1,337.8 million from HK\$1,205.0 million for the same period in 2008.
- AcrossAsia Group recorded a loss attributable to the shareholders of the Company of HK\$8.9 million compared to HK\$3.1 million for the same period in 2008.

## HALF-YEAR RESULTS (UNAUDITED)

The Directors of AcrossAsia Limited (the "Company") announce the unaudited condensed financial statements (the "Financial Statements") of the Company and its subsidiaries (collectively "AcrossAsia Group") for the six months ended 30th June 2009 (the "Half-year Period") together with comparative figures for the corresponding period ended 30th June 2008, as follows:

### Condensed Income Statement of AcrossAsia Group

	Note	Six months ended 30th June		Three months ended 30th June	
		2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Turnover	2	<b>4,792,052</b>	4,836,662	<b>2,658,463</b>	2,525,794
Cost of goods sold and services rendered		<b>(3,507,520)</b>	(3,537,954)	<b>(1,936,694)</b>	(1,864,644)
Gross profit		<b>1,284,532</b>	1,298,708	<b>721,769</b>	661,150
Other income	2	<b>185,322</b>	128,998	<b>86,176</b>	36,527
Net exchange gain	2	<b>126,247</b>	16,755	<b>230,090</b>	16,755
Net fair value gain on derivative financial instruments	2	<b>115,299</b>	–	<b>5,059</b>	–
Selling and distribution costs		<b>(452,968)</b>	(434,495)	<b>(253,151)</b>	(206,130)
General and administrative expenses		<b>(884,861)</b>	(770,456)	<b>(521,449)</b>	(377,143)
Profit from operations	4	<b>373,571</b>	239,510	<b>268,494</b>	131,159
Finance costs		<b>(315,564)</b>	(220,696)	<b>(167,855)</b>	(109,818)
Share of results of associates		<b>310</b>	2,175	<b>(92)</b>	1,070
Profit before tax		<b>58,317</b>	20,989	<b>100,547</b>	22,411
Income tax (expense)/benefit	5	<b>(15,352)</b>	1,126	<b>(34,199)</b>	(1,324)
Profit for the period		<b>42,965</b>	22,115	<b>66,348</b>	21,087
(Loss)/profit attributable to:					
Shareholders of the Company	6	<b>(8,873)</b>	(3,142)	<b>18,284</b>	(926)
Minority interests		<b>51,838</b>	25,257	<b>48,064</b>	22,013
		<b>42,965</b>	22,115	<b>66,348</b>	21,087
(Loss)/earnings per share attributable to shareholders of the Company					
Basic (HK cents)	6	<b>(0.18)</b>	(0.06)	<b>0.36</b>	(0.04)
Diluted (HK cents)	6	<b>N/A</b>	N/A	<b>N/A</b>	N/A

## Condensed Statement of Comprehensive Income of AcrossAsia Group

	Six months ended 30th June		Three months ended 30th June	
	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit for the period	<b>42,965</b>	22,115	<b>66,348</b>	21,087
Other comprehensive income:				
Available-for-sale financial assets	<b>6,098</b>	–	<b>21,616</b>	–
Cash flow hedges	<b>2,618</b>	–	<b>1,516</b>	–
Currency translation differences	<b>163,218</b>	45,632	<b>295,384</b>	3,659
Total comprehensive income for the period	<b>214,899</b>	67,747	<b>384,864</b>	24,746
Total comprehensive (loss)/income attributable to:				
Shareholders of the Company	<b>(13,375)</b>	11,415	<b>109,264</b>	(20,441)
Minority interests	<b>228,274</b>	56,332	<b>275,600</b>	45,187
	<b>214,899</b>	67,747	<b>384,864</b>	24,746

## Condensed Statement of Financial Position of AcrossAsia Group

		(Unaudited) As at 30th June 2009 HK\$'000	(Audited) As at 31st December 2008 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	2,593,810	2,191,347
Investment properties		94,488	85,021
Interests in associates		18,174	16,239
Available-for-sale financial assets		102,109	92,618
Goodwill		186,986	161,491
Other intangible assets		66,250	69,674
Deferred tax assets		132,938	135,608
Non-current prepayments, deposits and receivables		1,808,045	1,864,956
		<b>5,002,800</b>	4,616,954
Current assets			
Inventories		871,048	729,233
Trade receivables	8	146,189	203,046
Prepayments, deposits and other current assets		487,956	543,395
Financial assets at fair value through profit or loss		1,248,521	1,049,703
Pledged bank deposits		84,202	98,813
Cash and bank deposits		1,048,355	1,611,420
		<b>3,886,271</b>	4,235,610
<b>TOTAL ASSETS</b>		<b>8,889,071</b>	8,852,564

	<i>Note</i>	<b>(Unaudited) As at 30th June 2009 HK\$'000</b>	(Audited) As at 31st December 2008 HK\$'000
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to shareholders of the Company			
Share capital		<b>506,462</b>	506,462
Reserves		<b>(100,612)</b>	(87,237)
		<b>405,850</b>	419,225
Minority interests		<b>2,132,526</b>	1,904,252
<b>Total equity</b>		<b>2,538,376</b>	2,323,477
<b>Non-current liabilities</b>			
Provisions		<b>125,119</b>	116,335
Interest-bearing borrowings		<b>2,191,567</b>	2,272,332
Notes payable		<b>80,218</b>	74,907
Bonds payable		<b>394,650</b>	–
Finance Lease payables		<b>17,871</b>	30,576
Derivative financial instruments		<b>20,541</b>	24,674
Non-current other payables		<b>75,092</b>	85,519
Deferred tax liabilities		<b>4,567</b>	10,555
		<b>2,909,625</b>	2,614,898
<b>Current liabilities</b>			
Provisions		<b>37,481</b>	30,520
Interest-bearing borrowings		<b>536,323</b>	498,106
Notes payable		<b>1,088,007</b>	1,067,308
Bonds payable		–	312,580
Finance lease payables		<b>31,294</b>	24,000
Due to related companies		<b>4,000</b>	6,578
Derivative financial instruments		<b>34,485</b>	147,698
Trade payables	9	<b>986,818</b>	985,679
Receipts in advance		<b>31,923</b>	34,887
Other payables and accruals		<b>688,664</b>	805,975
Current tax payable		<b>2,075</b>	858
		<b>3,441,070</b>	3,914,189
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,889,071</b>	8,852,564
<b>NET CURRENT ASSETS</b>		<b>445,201</b>	321,421
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>5,448,001</b>	4,938,375

## Condensed Statement of Changes in Equity of AcrossAsia Group

	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	Hedging reserve 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 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	-	-	-	-	-	-	14,557	(3,142)	11,415	56,332	67,747
Dividends paid to minority interest	-	-	-	-	-	-	-	-	-	(35,304)	(35,304)
At 30th June 2008	506,462	32,877	1,464,802	7,659	-	(17,529)	(638,422)	(712,863)	642,986	2,478,175	3,121,161
At 1st January 2009	<b>506,462</b>	<b>32,877</b>	<b>1,464,802</b>	<b>7,659</b>	<b>(6,517)</b>	<b>(20,310)</b>	<b>(736,371)</b>	<b>(829,377)</b>	<b>419,225</b>	<b>1,904,252</b>	<b>2,323,477</b>
Total comprehensive income/(loss) for the period	-	-	-	-	877	1,768	(7,147)	(8,873)	(13,375)	228,274	214,899
At 30th June 2009	<b>506,462</b>	<b>32,877</b>	<b>1,464,802</b>	<b>7,659</b>	<b>(5,640)</b>	<b>(18,542)</b>	<b>(743,518)</b>	<b>(838,250)</b>	<b>405,850</b>	<b>2,132,526</b>	<b>2,538,376</b>



## Condensed Statement of Cash Flows of AcrossAsia Group

	Six months ended 30th June	
	2009 HK\$'000	2008 HK\$'000
Net cash inflow/(outflow) from operating activities	<b>219,265</b>	(300,956)
Net cash outflow from investing activities	<b>(218,660)</b>	(269,209)
Net cash outflow from financing activities	<b>(281,452)</b>	(322,810)
Net decrease in cash and cash equivalents	<b>(280,847)</b>	(892,975)
Cash and cash equivalents, beginning of period	<b>1,611,420</b>	2,638,136
Effect of foreign exchange rate changes	<b>(282,218)</b>	3,221
Cash and cash equivalents, end of period	<b>1,048,355</b>	1,748,382
Analysis of balances of cash and cash equivalents		
Cash and bank deposits	<b>1,048,355</b>	1,748,382

Notes:

## 1. Principal accounting policies

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”) and IAS 34 “Interim Financial Reporting” 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 Financial Statements for the Half-year Period.

## 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	
	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Turnover:				
Retail	<b>4,363,017</b>	4,368,422	<b>2,436,350</b>	2,289,880
Broadband Services	<b>252,088</b>	228,645	<b>140,864</b>	121,729
IT Solutions	<b>176,947</b>	239,595	<b>81,249</b>	114,185
	<b>4,792,052</b>	4,836,662	<b>2,658,463</b>	2,525,794
Other income:				
Interest income	<b>145,947</b>	100,504	<b>77,794</b>	47,109
Rental income	<b>47,339</b>	25,789	<b>26,499</b>	358
Net fair value gain on derivative financial instruments	<b>115,299</b>	–	<b>5,059</b>	–
Net exchange gain	<b>126,247</b>	16,755	<b>230,090</b>	16,755
Others, net	<b>(7,964)</b>	2,705	<b>(18,117)</b>	(10,940)
	<b>426,868</b>	145,753	<b>321,325</b>	53,282
Total	<b>5,218,920</b>	4,982,415	<b>2,979,788</b>	2,579,076

### 3. Segment information

An analysis of AcrossAsia Group's revenue and other income and expense items on operating segments for the Half-year Period and the corresponding period in 2008 is as follow as:

#### (a) Operating segments

##### (i) The Half-year Period

	Retails HK\$'000	Broadband Services HK\$'000	IT Solutions HK\$'000	Corporate Function HK\$'000	Elimination HK\$'000	Total HK\$'000
Turnover	4,363,017	252,814	186,221	–	(10,000)	4,792,052
Cost of goods sold and services rendered	(3,253,712)	(121,597)	(141,503)	–	9,292	(3,507,520)
Gross profit	1,109,305	131,217	44,718	–	(708)	1,284,532
Other income	189,115	116	13,203	84	(17,196)	185,322
Net exchange gain	55,860	37,511	30,994	1,882	–	126,247
Net fair value gain on derivative financial instruments	111,626	–	3,673	–	–	115,299
Selling and distribution costs	(430,294)	(18,485)	(4,435)	–	246	(452,968)
General and administrative expenses	(692,518)	(111,932)	(58,313)	(11,819)	(10,279)	(884,861)
Profit/(loss) from operations	343,094	38,427	29,840	(9,853)	(27,937)	373,571
Finance costs	(242,270)	(19,845)	(41,247)	(12,202)	–	(315,564)
Share of profit of associates	310	–	3,883	–	(3,883)	310
Profit/(loss) before tax	101,134	18,582	(7,524)	(22,055)	(31,820)	58,317
Income tax expense	(7,909)	(5,363)	(2,080)	–	–	(15,352)
Profit/(loss) for the period	93,225	13,219	(9,604)	(22,055)	(31,820)	42,965

(ii) *The corresponding period in 2008*

	Retails HK\$'000	Broadband Services HK\$'000	IT Solutions HK\$'000	Corporate Function HK\$'000	Elimination HK\$'000	Total HK\$'000
Turnover	4,368,422	221,607	258,920	11,938	(24,225)	4,836,662
Cost of goods sold and services rendered	(3,236,224)	(102,339)	(213,626)	(8,907)	23,142	(3,537,954)
Gross profit	1,132,198	119,268	45,294	3,031	(1,083)	1,298,708
Other income	87,043	1,698	15,081	2,457	22,719	128,998
Net exchange gain	3,118	8,390	8,733	641	(4,127)	16,755
Selling and distribution costs	(375,369)	(27,204)	(6,354)	(856)	(24,712)	(434,495)
General and administrative expenses	(663,268)	(75,742)	(31,367)	(9,745)	9,666	(770,456)
Profit/(loss) from operations	183,722	26,410	31,387	(4,472)	2,463	239,510
Finance costs	(153,058)	(7,342)	(43,421)	(11,100)	(5,775)	(220,696)
Share of profit/(loss) of associates	2,175	-	(583)	-	583	2,175
Profit/(loss) before tax	32,839	19,068	(12,617)	(15,572)	(2,729)	20,989
Income tax benefit/(expenses)	8,580	(3,840)	(3,538)	-	(76)	1,126
Profit/(loss) for the period	41,419	15,228	(16,155)	(15,572)	(2,805)	22,115

**(b) Geographical segments**

Over 90% of AcrossAsia Group's revenue for the Half-year Period and the corresponding period in 2008 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	
	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cost of inventories sold	<b>3,253,712</b>	3,236,224	<b>1,810,150</b>	1,521,226
Depreciation	<b>196,134</b>	177,155	<b>111,017</b>	100,767
Amortisation of intangible assets	<b>8,567</b>	14,303	<b>4,196</b>	6,716
Bad debt expense/provision for doubtful debts	<b>2,623</b>	422	<b>2,623</b>	382
Net loss/(gain) on disposal of plant and equipment	<b>5,124</b>	6,646	<b>3,133</b>	(592)

#### 5. Income tax expense/(benefit)

	Six months ended 30th June		Three months ended 30th June	
	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax – overseas	<b>7,918</b>	4,970	<b>2,444</b>	(2,547)
Deferred income tax expense/(benefit)	<b>7,434</b>	(6,096)	<b>31,755</b>	3,871
	<b>15,352</b>	(1,126)	<b>34,199</b>	1,324

No provision for Hong Kong profits tax has been made for the Half-year Period (2008: 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 28% (2008: 30%) of the individual entities' respective assessable profits in accordance with Indonesian income tax law.

#### 6. (Loss)/earnings per share

The calculation of basic (loss)/earnings per share attributable to the shareholders of the Company is based on the loss attributable to the shareholders of the Company for the Half-year Period of HK\$8,873,000 (2008: HK\$3,142,000) and 5,064,615,385 (2008: 5,064,615,385) ordinary shares issued during the Half-year Period.

No diluted earnings/(loss) per share is presented as the Company did not have any dilutive potential ordinary shares during the Half-year Period and the corresponding period in 2008.

## 7. Property, plant and equipment

During the Half-year Period, AcrossAsia Group spent approximately HK\$180,396,000 (2008: HK\$416,328,000) 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 aging analysis of the trade receivables, based on invoice date, is as follows:

	<b>As at 30th June 2009 HK\$'000</b>	As at 31st December 2008 HK\$'000
Within 3 months	<b>106,620</b>	171,940
3 to 6 months	<b>12,283</b>	8,480
Over 6 months	<b>34,832</b>	25,913
	<b>153,735</b>	206,333
Less: Provision for doubtful debts	<b>(7,546)</b>	(3,287)
	<b>146,189</b>	203,046

As at 30th June 2009, 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\$3,287,000 (as at 31st December 2008: HK\$18,156,000). The balances were unsecured, interest-free and repayable principally in accordance with normal trading terms.

## 9. Trade payables

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

	<b>As at 30th June 2009 HK\$'000</b>	As at 31st December 2008 HK\$'000
Within 3 months	<b>945,262</b>	950,362
3 to 6 months	<b>13,925</b>	12,439
Over 6 months	<b>27,631</b>	22,878
	<b>986,818</b>	985,679

As at 30th June 2009, 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\$3,564,000 (as at 31st December 2008: HK\$1,109,000). The balances were unsecured, interestfree and payable principally in accordance with normal trading terms.

## 10. Capital commitments

As at 30th June 2009, the Company had capital commitments of HK\$114,660,000 (as at 31st December 2008: HK\$114,660,000) in respect of the injection of additional capital into an associate.

## 11. 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 2008 Financial Statements, save as mentioned in this Report.

## 12. Related party transactions

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

	Six months ended 30th June	
	2009 HK\$'000	2008 HK\$'000
Subscription fee income for fast speed Internet access:		
— PT Lippo Karawaci	347	273
— PT Jakarta Globe Media	127	—
Insurance expense charged to:		
— PT Lippo General Insurance Tbk	622	92
Marketing expenses to:		
— Avel Pty. Limited	2,817	2,013

## 13. 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 (2008: Nil).

## FINANCIAL REVIEW

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

### Turnover

AcrossAsia Group's turnover decreased by 0.9% to HK\$4,792.1 million from HK\$4,836.7 million for the same period in 2008. In terms of operating segments, turnover from Retail slightly dropped by 0.1% to HK\$4,363.0 million from HK\$4,368.4 million for the same period in 2008. Broadband Services recorded a 14.1% growth in turnover to HK\$252.8 million from HK\$221.6 million for the same period in 2008. IT Solutions had a drop of 28.1% in revenue to HK\$186.2 million from HK\$258.9 million compared to the same period in 2008.

### Gross Profit

AcrossAsia Group's gross profit decreased by 1.1% to HK\$1,284.5 million from HK\$1,298.7 million for the corresponding period in 2008. Gross profit margin slightly reduced to 26.8% from 26.9% for the corresponding period in 2008.

### Profit from Operations

AcrossAsia Group's profit from operations increased by 56.0% to HK\$373.6 million from HK\$239.5 million for the corresponding period in 2008. In terms of operating segments, Retail recorded a profit from operations of HK\$343.1 million compared to HK\$183.7 million for the same period in 2008 mainly due to substantial gains from other income (including non-core income). Broadband Services posted a profit from operations of HK\$38.4 million compared to a profit of HK\$26.4 million for the same period in 2008 due to an exchange gain of HK\$37.5 million. IT Solutions' profit from operations reduced to HK\$29.8 million compared to HK\$31.4 million for the same period in 2008 as a result of keen competition.

Other income (including non-core income) increased by 192.8% to HK\$426.9 million from HK\$145.8 million for the corresponding period in 2008. The substantial increase mainly resulted from: interest income of HK\$145.9 million compared to HK\$100.5 million for the same period in 2008 due to higher return gained from investments; net fair value gain on derivative financial instruments of HK\$115.3 million (2008: Nil); net exchange gain of HK\$126.2 million compared to HK\$16.8 million for the corresponding period in 2008; and rental income of HK\$47.3 million from letting space to third parties compared to HK\$25.8 million for the same period in 2008.

Total operating expenses (excluding other income and expenses) increased by 11% to HK\$1,337.8 million from HK\$1,205.0 million for the same period in 2008. The increase was mainly due to an expansion of Retail and Broadband Services resulting in depreciation charges and staff costs increased to HK\$196.1 million and HK\$358.4 million from HK\$177.2 million and HK\$332.8 million respectively for the corresponding period in 2008. In addition, Retail's selling and distribution costs increased by HK\$54.9 million for boosting its business.

## Share of Results of Associates

AcrossAsia Group recorded a share of profit of associates of HK\$0.3 million compared to HK\$2.2 million for the corresponding period in 2008.

## Loss attributable to Shareholders

AcrossAsia Group recorded a loss attributable to the shareholders of the Company of HK\$8.9 million compared to HK\$3.1 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 30th June 2009, it operated 87 Matahari Department Stores, 46 Hypermart stores, 26 foodmart stores, 51 Boston healthcare outlets, 11 Times international bookstores and more than 79 TimeZone family entertainment centres in over 50 cities across Indonesia. During the Half-year Period, 2 new Matahari Department Stores, 2 new Hypermarts stores, several new Times international bookstores and the first restaurant business under the brand of “Teo Chew Palace” were opened.

Matahari’s business strategies as well as achievements have led to positive international recognition. Leading rating agencies reaffirmed Matahari’s company ratings to B1/Stable (Moody’s) and B+/Stable (Standard & Poor’s).

### 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 & 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 30th June 2009, the network reached more than 4,800 km and passed through more than 498,000 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 126,300 representing a penetration rate of 25%. On the other hand, First Media has approximately 136,000 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.

In March 2009, First Media launched the FastNet SOHO, a new FastNet product that is specially designed for the Small Office Home Office market which provides ideal solution for companies that require unlimited high-speed broadband Internet access at cost effective rates.

## 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.

## PROSPECTS

Pursuant to the Company's announcements dated 24th July 2009 and 5th August 2009, it was proposed to reorganize the business, assets and operations of AcrossAsia Group, to, amongst other things, streamline its business activities in order to focus on a single line of business, enhance corporate governance within AcrossAsia Group and increase shareholders' value of the Company. The proposals to be put forward to the shareholders of the Company at an extraordinary general meeting to be convened shortly will mainly involve a distribution in specie of all the Company's shareholdings in Multipolar and a capital reduction. Subject to approval at the said extraordinary general meeting and the said distribution, Multipolar and Matahari will cease to be subsidiaries of the Company and First Media's businesses will become the focused line of business of AcrossAsia Group.

## FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Half-year Period, AcrossAsia Group financed its operations, acquired plant and equipment and repaid loans and debts with its internal resources. It utilised an aggregate amount of HK\$222.9 million for the above activities but still retained cash and cash equivalents of HK\$1,048.4 million as at 30th June 2009. It had current assets of HK\$3,886.3 million as at 30th June 2009. Total interest-bearing borrowings reduced by HK\$42.5 million to HK\$2,727.9 million as at 30th June 2009 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. Certain interest-bearing borrowings were secured by the pledge of the Group's property, plant and equipment, investment properties, available-for-sales financial assets, inventories, trade receivables and bank deposits.

During the Half-year Period, AcrossAsia Group implemented and is continuing to implement the following management plan to further improve its financial position through restructuring of current borrowings to long-term loans; enhancement of operational efficiency; procurement of long term debt/equity financing; enlargement of Retail's market share by expansion of the Department Store Group and the Food Group, extension of the penetration of the cable TV and other broadband services; development of high margin IT solutions; and exploration of new business opportunities. AcrossAsia Group's gearing ratio, representing total borrowings divided by shareholders' funds, was 10.7 times as at 30th June 2009.

As a result of substantial operations in Indonesia, AcrossAsia Group has exposed foreign currency risk from borrowings denominated in Indonesian Rupiah and United States Dollars and funds received and spent mainly denominated in Indonesian Rupiah. During the Half-year Period, the foreign currency exposure had positive impact on AcrossAsia Group's results. AcrossAsia Group will continue to take measures to minimize its foreign exchange exposure.

## EMPLOYEES

As at 30th June 2009, AcrossAsia Group had approximately 19,700 employees. For the Half-year Period, the staff costs (including Directors' emoluments) were approximately HK\$358.4 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 scheme, incentive bonus and training schemes.

## DISCLOSURE OF INTERESTS IN SECURITIES

### Directors and Chief Executive

As at 30th June 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 Director and the chief executive of the Company was 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			Percentage of enlarged issued share capital
	Granted	Lapsed	Outstanding as of 30th June 2009	
Mr. Marshall Wallace Cooper	355,000	—	355,000 <sup>(Note 1)</sup>	0.01
Total	355,000	—	355,000	

Notes:

1. 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.
2. The exercise period for all such shares shall end 10 years from the Grant Date (the "Expiry Date").
3. 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 30th June 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 30th June 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 30th June 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 Half-year Period:

Participant	Number of underlying shares		
	As at 1st January 2009	Lapsed during the period	As at 30th June 2009
Directors	13,505,000 <sup>(Note)</sup>	13,150,000	355,000
Others	11,584,000	—	11,584,000
Total	25,089,000	13,150,000	11,939,000

Note: including a resigned Director

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 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 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 of 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 a 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.

## 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, 14th August 2009