

First Quarterly Report **2010**

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; 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 2010

For the three months ended 31st March 2010

HIGHLIGHTS

- AcrossAsia Group recorded an increase in revenue of 41.4% to HK\$164.4 million compared to HK\$116.3 million for the same period in 2009 due to a rapid growth in number of Internet service subscribers and demand for data communication service.
- AcrossAsia Group's gross profit increased by 105.1% to HK\$122.4 million from HK\$59.7 million for the same period in 2009.
- Gross profit margin increased to 74.5% from 51.3% for the same period in 2009.
- AcrossAsia Group recorded a profit from operations of HK\$26.8 million against a loss from operations of HK\$23.8 million for the same period in 2009.
- Total operating expenses (excluding other income and expenses) increased to HK\$116.7 million from HK\$57.3 million for the same period in 2009.
- AcrossAsia Group recorded a reduced loss attributable to owners of the Company of HK\$1.2 million compared to a loss of HK\$27.2 million for the same period in 2009.

FIRST QUARTERLY RESULTS (UNAUDITED)

The Directors of AcrossAsia Limited (the "Company") announce the unaudited consolidated income statement and consolidated statement of comprehensive income of the Company and its subsidiaries (collectively "AcrossAsia Group") for the three months ended 31st March 2010 (the "Three-month Period") together with comparative figures for the corresponding period ended 31st March 2009 as follows:

CONSOLIDATED INCOME STATEMENT

		Three months ended 31st March	
	Note	2010 HK\$'000	2009 HK\$'000 (restated)
Continuing Operations			
Turnover	2	164,435	116,293
Cost of services rendered		(41,993)	(56,600)
Gross profit		122,442	59,693
Other income		177	246
Net exchange gain/(loss)		20,826	(26,469)
Selling and distribution expenses		(11,322)	(8,844)
General and administrative expenses		(105,362)	(48,457)
Profit/(loss) from operations		26,761	(23,831)
Finance costs		(20,344)	(16,879)
Profit/(loss) before tax		6,417	(40,710)
Income tax (expense)/benefit	3	(4,488)	11,300
Profit/(loss) for the period from continuing operations		1,929	(29,410)
Discontinued Operations			
Profit for the period from discontinued operations	4	–	6,027
Profit/(loss) for the period		1,929	(23,383)
Profit/(loss) attributable to:			
Owners of the Company	5	(1,195)	(27,157)
Minority interests		3,124	3,774
		1,929	(23,383)
Loss per share attributable to owners of the Company			
Basic (HK cents)			
– For loss for the period	5	(0.02)	(0.54)
– For loss from continuing operations	5	(0.02)	(0.58)
Diluted (HK cents)			
– For loss for the period	5	N/A	N/A
– For loss from continuing operations	5	N/A	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended	
	31st March	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) for the period	1,929	(23,383)
Other comprehensive income:		
Available-for-sale financial assets	–	(15,518)
Cash flow hedges	–	1,102
Currency translation differences	5,997	(132,167)
Total comprehensive income/(loss) for the period	7,926	(169,966)
Total comprehensive income/(loss) attributable to:		
Owners of the Company	1,607	(122,640)
Minority interests	6,319	(47,326)
	7,926	(169,966)

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 and these adoptions have 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

(a) Operating segments

Information about reportable operating segment profit or loss for the Three-month Period and the corresponding period in 2009 is as follows:

	Broadband Services HK\$'000	Discontinued operations		Total HK\$'000
		Retail HK\$'000	IT Solutions HK\$'000	
For Three-month Period				
Revenue from external customers	164,435	–	–	164,435
Segment profit	1,933	–	–	1,933
Interest revenue	49	–	–	49
Interest expense	(19,223)	–	–	(19,223)
Depreciation and amortisation	(31,512)	–	–	(31,512)
Income tax expense	(4,488)	–	–	(4,488)

The corresponding period in 2009

Revenue from external customers	116,293	1,926,667	90,629	2,133,589
Intersegment revenue	–	–	3,162	3,162
Segment profit	28,630	51,977	49,492	130,099
Interest revenue	70	61,270	6,696	68,036
Interest expense	(10,989)	(109,797)	(21,033)	(141,819)
Depreciation and amortisation	(24,177)	(68,245)	(32,899)	(125,321)
Share of profits of associates	–	402	–	402
Income tax (expense)/credit	11,300	8,618	(1,071)	18,847

Reconciliations of reportable segment revenue and profit or loss:

	Three months ended 31st March	
	2010	2009
	HK\$'000	HK\$'000
Revenue		
Total revenue of reportable segments	164,435	2,136,751
Elimination of intersegment revenue	–	(3,162)
Consolidated revenue	164,435	2,133,589
Profit or loss		
Total profit or loss of reportable segment	1,933	130,099
Unallocated amounts:		
Interest revenue	57	68,153
Interest expense	20,344	(147,709)
Depreciation and amortisation	(31,529)	(125,619)
Share of profits of associates	–	402
Income tax (expense)/credit	(4,488)	18,847
Net foreign exchange gain/(loss)	20,826	(103,843)
Fair value gain on derivative financial instruments	–	110,240
Fair value gain on revaluation of financial assets at fair value through profit and loss	–	6,069
Gain on disposal of property, plant and equipment	–	2,178
Loss on disposal of financial assets at fair value through profit and loss	–	(1,335)
Rental income	–	20,840
Other corporate expenses	(5,214)	(1,705)
Consolidated profit/(loss) for the period	1,929	(23,383)

(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 expense/(benefit)

	Three months ended 31st March	
	2010	2009
	HK\$'000	HK\$'000
Current tax – overseas	49	–
Deferred tax	4,439	(11,300)
	4,488	(11,300)

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 (2009: 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% of the individual entities' respective assessable profits in accordance with Indonesian income tax law.

4. Discontinued operations

In July 2009, the Company announced a proposed reorganisation of AcrossAsia Group whereby the Company would declare a special dividend by way of a distribution in specie (the "Distribution") of all the Company's shareholdings in PT Multipolar Tbk ("Multipolar"). At the Extraordinary General Meeting of the Company held on 9th September 2009, the Distribution was approved by the shareholders of the Company. As a result, Multipolar and its subsidiaries including PT Matahari Putra Prima Tbk ("Matahari") (collectively "Multipolar Group") ceased to be subsidiaries of the Company in September 2009, and Retail and IT Solutions which have been operated by Multipolar Group became discontinued operations. The results of Multipolar Group ceased to be accounted for in the consolidated results of AcrossAsia Group following the Distribution.

Profit for the Three-month Period from Retail and IT Solutions is presented below:

	Three months ended 31st March	
	2010	2009
	HK\$'000	<i>HK\$'000</i>
Turnover	–	2,017,296
Cost of goods sold and services rendered	–	(1,514,226)
Gross profit	–	503,070
Other income	–	100,842
Selling and distribution expenses	–	(190,973)
General and administrative expenses	–	(284,031)
Profit from operations	–	128,908
Finance costs	–	(130,830)
Share of profits of associates	–	402
Loss before tax	–	(1,520)
Income tax benefit	–	7,547
Profit for the period	–	6,027
Profit attributable to:		
Owners of the Company	–	2,252
Minority interests	–	3,775
	–	6,027

5. Loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss attributable to owners of the Company for the Three-month Period from continuing operations and discontinued operations of HK\$1,195,000 (2009: HK\$29,409,000) and Nil (2009: profit of HK\$2,252,000) respectively and 5,064,615,385 ordinary shares in issue for the Three-month Period and the corresponding period in 2009.

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 2009.

6. Consolidated Statement of Changes in Equity

For the Three-month Period

	Attributable to owners of the Company											
	Issued capital	Share premium	Capital reserve	Equity		Investment		Translation reserve	Accumulated losses	Total	Minority interests	Total equity
				transactions of associates	Hedging reserve	revaluation reserve	reserves					
	HK\$'000	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 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	
At 1st January 2010	506,462	414,318	-	-	-	-	798	(982,942)	(61,364)	86,852	25,488	
Capital reduction	(455,816)	-	-	-	-	-	-	455,816	-	-	-	
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	2,802	(1,195)	1,607	6,319	7,926	
At 31st March 2010	50,646	414,318	-	-	-	-	3,600	(528,321)	(59,757)	93,171	33,414	

7. 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 (2009: Nil).

FINANCIAL REVIEW

AcrossAsia Group's results for the Three-month Period were analysed based on the continuing operations namely Broadband Services.

Turnover

AcrossAsia Group recorded an increase in revenue of 41.4% to HK\$164.4 million compared to HK\$116.3 million for the same period in 2009 which was mainly contributed by a rapid growth in number of Internet service subscribers and demand for data communication service.

Gross Profit

AcrossAsia Group's gross profit increased by 105.1% to HK\$122.4 million from HK\$59.7 million for the same period in 2009 mainly due to additional demand for services and a reduction in Cable TV programme fees and Internet bandwidth and access fees by HK\$18.2 million and HK\$6.9 million respectively. The gross profit margin increased to 74.5% from 51.3% for the same period in 2009.

Profit from Operations

AcrossAsia Group recorded a profit from operations of HK\$26.8 million against a loss from operations of HK\$23.8 million for the same period in 2009. It mainly resulted from a net foreign exchange gain of HK\$20.8 million whereas there was a net foreign exchange loss of HK\$26.5 million for the corresponding period in 2009.

Total operating expenses (excluding other income and expenses) increased to HK\$116.7 million from HK\$57.3 million for the comparison period in 2009 mainly as a result of recognition and amortisation of prepaid annual and upfront fees on WiMAX of HK\$27.1 million and recruitment of additional staff to support the rapid growth of Broadband Services with an increase in staff salaries and benefits by HK\$8.9 million.

Loss attributable to Owners

AcrossAsia Group recorded a reduced loss attributable to owners of the Company of HK\$1.2 million compared to a loss of HK\$27.2 million for the same period in 2009.

BUSINESS REVIEW

AcrossAsia Group continued to focus on its Broadband Services to enhance its leading position as a two-way hybrid fibre coaxial (“HFC”) cable service provider in Indonesia through PT First Media Tbk (“First Media”, a subsidiary of the Company listed on the Indonesia Stock Exchange in which the Company has a 55.1% interest). Plans are underway for First Media to embark on the development of its WiMAX service.

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

First Media launched new TV packages covering education, kids, sports, movies and others as well as break-through broadband Internet services – FastNet 10 Mbps and FastNet Kids in early 2010.

Much endeavours on the operations have been carried out to improve First Media’s revenue and profit such as more aggressive marketing campaign to elevate its service products, introduction of more new channels and packages to meet market needs as well as more prudent and efficient cost management.

As of 31st March 2010, First Media’s HFC network passed approximately 500,000 homes and MDUs (multiple dwelling units such as apartments, hospitals and other multi-storey buildings) with its fibre optic cable and coaxial cable reaching over 4,000 km and 4,800 km respectively. The network covers major residential and central business districts in Greater Metropolitan Jakarta and other prime cities in Indonesia such as Surabaya and Bali.

In March 2010, First Media announced a proposed rights issue (with bonus warrants) of up to 912,421,400 new shares at the price of Rp500 each for raising a total of up to Rp456.2 billion (approximately HK\$381.8 million). The net proceeds therefrom will be used for enhancing the capital structure and performance as well as for the working capital and business development of First Media. The Company will support the said rights issue by subscribing for such number of rights shares as to maintain its approximately 55.1% interest in First Media.

PROSPECTS

For this year 2010, First Media will continue focusing on the penetration of its Triple-play services through its current HFC network. In view of the current penetration rate, the potential of the captive market is considerable and further growth would not require hefty investment costs.

With a plan to reach its first one million subscriber base, First Media has acquired WiMAX licence covering Greater Metropolitan Jakarta, Banten and Northern Sumatra areas for rolling out its WiMAX service. WiMAX is an Internet-based wireless service which runs on the advanced 4G platform with high speed transmission and wide range coverage. It will be a natural complement to First Media's HFC network. Currently, the coverage WiMAX infrastructure and deployment are underway and the WiMAX service will be launched commercially in the second half of 2010.

DISCLOSURE OF INTERESTS IN SECURITIES

Directors and Chief Executive

As at 31st March 2010, 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 1,000,000 shares of the Company (representing approximately 0.02% 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 (being also the chief executive) of the Company was granted on 23rd June 2000 (the “Grant Date”) an option 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 31st March 2010	
Mr. Marshall Wallace COOPER	355,000	–	355,000 <i>(Note 1)</i>	0.01
Total	355,000	–	355,000	0.01

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”).

(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 2010, 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 2010, 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 2010, 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 2010	Lapsed during the period	As at 31st March 2010
Directors	355,000	–	355,000
Others	11,584,000	–	11,584,000
Total	11,939,000	–	11,939,000

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 2010.

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, 11th May 2010