

ACROSS ASIA LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8061)

First Quarterly Report 2012

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

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This report, for which the Directors of AcrossAsia Limited (the “Company”) (namely, executive Director: Mr. Vicente Binalhay ANG; and independent non-executive Directors: Mr. Albert Saychuan CHEOK, Dr. Boh Soon LIM and Mr. Thomas Yee Man LAW) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

FIRST QUARTERLY REPORT 2012

For the three months ended 31st March 2012

HIGHLIGHTS

- AcrossAsia Group's turnover increased by 30.9% to HK\$261.3 million compared to HK\$199.5 million for the same period in 2011 due to sustainable increase in demand for broadband Internet and cable TV services.
- AcrossAsia Group's gross profit increased by 22.4% to HK\$193.4 million from HK\$158.0 million for the same period in 2011 mainly attributable to additional demand for foregoing services.
- The profit margin reduced to 74.0% from 79.2% for the corresponding period in 2011 mainly due to higher Internet access charges and rental fees incurred for meeting fast-growing demand for broadband Internet services of HK\$17.2 million (2011: HK\$7.4 million).
- AcrossAsia Group recorded a profit from operations of HK\$14.2 million compared to HK\$21.3 million for the same period in 2011.
- Total operating expenses (excluding other income and expenses) increased to HK\$192.2 million from HK\$155.3 million for the same period in 2011 mainly as a result of increase in depreciation charges, sales promotion and commission, bad debts and staff salaries and benefits to support the WiMAX business and rapid growth of broadband Internet services.
- AcrossAsia Group's finance costs reduced to HK\$9.2 million compared to HK\$28.8 million for the same period in 2011 due to repayment of certain loans since June 2011.
- AcrossAsia Group recorded a loss attributable to owners of the Company of HK\$18.0 million compared to HK\$16.4 million for the same period in 2011.

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 2012 (the "Three-month Period") together with comparative figures for the corresponding period ended 31st March 2011 as follows:

CONSOLIDATED INCOME STATEMENT

| | Note | Three months ended 31st March | |
|---|------|----------------------------------|------------------|
| | | 2012 HK\$'000 | 2011 HK\$'000 |
| Turnover | 2 | 261,296 | 199,547 |
| Cost of services rendered | | (67,924) | (41,514) |
| Gross profit | | 193,372 | 158,033 |
| Interest income | | 9,775 | 336 |
| Other income | | 1,596 | 866 |
| Net exchange gain | | 1,663 | 17,386 |
| Selling and distribution expenses | | (23,885) | (17,596) |
| General and administrative expenses | | (168,313) | (137,744) |
| Profit from operations | | 14,208 | 21,281 |
| Finance costs | | (9,176) | (28,756) |
| Profit/(loss) before tax | | 5,032 | (7,475) |
| Income tax expense | 3 | (2,518) | (5,197) |
| Profit/(loss) for the period | | 2,514 | (12,672) |
| Profit/(loss) attributable to: | | | |
| Owners of the Company | 4 | (17,969) | (16,434) |
| Non-controlling interests | | 20,483 | 3,762 |
| | | 2,514 | (12,672) |
| Loss per share attributable to owners of the Company | | | |
| Basic (HK cents) | 4 | (0.35) | (0.32) |
| Diluted (HK cents) | 4 | N/A | N/A |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Three months ended 31st March | |
|---|----------------------------------|-----------------|
| | 2012 | 2011 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Profit/(loss) for the period | 2,514 | (12,672) |
| Other comprehensive income: | | |
| Currency translation differences | 13,777 | 12,735 |
| Total comprehensive income for the period | 16,291 | 63 |
| Total comprehensive income attributable to: | | |
| Owners of the Company | (1,107) | (12,748) |
| Non-controlling interests | 17,398 | 12,811 |
| | 16,291 | 63 |

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 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

No segment information is presented for the Three-month Period and the corresponding period in 2011 as AcrossAsia Group only engages in the provision of broadband network services, broadband Internet services and cable television services in Indonesia and all revenue, expenses, results, assets and liabilities and capital expenditures are predominately attributable to this single operating segment.

None of AcrossAsia Group's customers contributed 10% or more of AcrossAsia Group's revenue during the Three-month Period and the corresponding period in 2011 and accordingly, no major customers information is presented.

3. Income tax expense

| | Three months ended 31st March | |
|-------------------------------|----------------------------------|-------------------------|
| | 2012 <i>HK\$'000</i> | 2011 <i>HK\$'000</i> |
| Current tax – overseas | 26,398 | 4,808 |
| Deferred tax (benefit)/charge | (23,880) | 389 |
| | 2,518 | 5,197 |

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 (2011: 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 25% 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 owners of the Company is based on the loss attributable to owners of the Company for the Three-month Period of HK\$17,969,000 (2011: HK\$16,434,000) and 5,064,615,385 ordinary shares in issue for the Three-month Period and the corresponding period in 2011.

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 2011.

5. Consolidated Statement of Changes in Equity

For the Three-month Period

| | Attributable to owners of the Company | | | | | Non-controlling interests | Total equity |
|---|---------------------------------------|---------------|---------------------|--------------------|-----------|---------------------------|--------------|
| | Issued capital | Share premium | Translation reserve | Accumulated losses | Total | | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | | |
| At 1st January 2011 | 50,646 | 414,318 | 2,885 | (560,271) | (92,422) | 282,340 | 189,918 |
| Total comprehensive income for the period | — | — | 3,686 | (16,434) | (12,748) | 12,811 | 63 |
| At 31st March 2011 | 50,646 | 414,318 | 6,571 | (576,705) | (105,170) | 295,151 | 189,981 |
| At 1st January 2012 | 50,646 | 414,318 | (37,665) | (128,754) | 298,545 | 1,192,334 | 1,490,879 |
| Total comprehensive income for the period | — | — | 16,862 | (17,969) | (1,107) | 17,398 | 16,291 |
| At 31st March 2012 | 50,646 | 414,318 | (20,803) | (146,723) | 297,438 | 1,209,732 | 1,507,170 |

6. Comparative figures

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

7. Litigation

Subsequent to the disclosure in the Company's Annual Report 2011, the Company successfully obtained grant by the Hong Kong Court of stay of its decision to pay any amounts due or accruing due from the Company to PT First Media Tbk ("First Media") as they fall due into Court in Hong Kong and leave to appeal to such decision. The appeal hearing of the Court of Appeal will be heard on 3rd August 2012. Based on a legal opinion obtained from the Company's Hong Kong lawyer, the Directors of the Company are of the view that there is a reasonable prospect of resisting the garnishee proceedings in Hong Kong.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Three-month Period (2011: Nil).

FINANCIAL REVIEW

AcrossAsia Group's results for the Three-month Period were analysed as follows:

Turnover

AcrossAsia Group's turnover increased by 30.9% to HK\$261.3 million compared to HK\$199.5 million for the same period in 2011 due to sustainable increase in demand for broadband Internet and cable TV services.

Gross Profit

AcrossAsia Group's gross profit increased by 22.4% to HK\$193.4 million from HK\$158.0 million for the same period in 2011 mainly attributable to additional demand for foregoing services. The profit margin reduced to 74.0% from 79.2% for the corresponding period in 2011 mainly due to higher Internet access charges and rental fees incurred for meeting fast-growing demand for broadband Internet services of HK\$17.2 million (2011: HK\$7.4 million).

Profit from Operations

AcrossAsia Group recorded a profit from operations of HK\$14.2 million compared to HK\$21.3 million for the same period in 2011. Total operating expenses (excluding other income and expenses) increased to HK\$192.2 million from HK\$155.3 million for the same period in 2011 mainly as a result of increase in depreciation charges of HK\$46.9 million (2011: HK\$37.4 million), sales promotion and commission of HK\$11.6 million (2011: HK\$9.5 million), bad debts of HK\$9.2 million (2011: HK\$2.6 million) and staff salaries and benefits of HK\$56.4 million (2011: HK\$37.5 million) to support the WiMAX business and rapid growth of broadband Internet services.

AcrossAsia Group's finance costs reduced to HK\$9.2 million compared to HK\$28.8 million for the same period in 2011 due to repayment of certain loans since June 2011.

Loss Attributable to Owners

AcrossAsia Group recorded a loss attributable to owners of the Company of HK\$18.0 million compared to HK\$16.4 million for the same period in 2011.

BUSINESS REVIEW

AcrossAsia Group through First Media (a subsidiary of the Company listed on the Indonesia Stock Exchange in which the Company has a 55.1% interest) and its subsidiaries (collectively “First Media Group”) recorded growth in their services. First Media Group is the only multimedia service provider in Indonesia to offer broadband Internet and digital-quality cable TV services through a two-way HFC (Hybrid Fibre Coaxial) network, and the first pay-TV network in Indonesia to offer High-Definition TV programmes. With its Triple-play services, namely FastNet, HomeCable and DataComm, First Media Group offers a new edutainment and lifestyle of experience and high speed, 24/7 broadband Internet connectivity as well as digital quality pay-TV access to its valuable residential and business customers in Indonesia.

FastNet is an unlimited high-speed Internet access service offering a variety of connection speeds with smart values and best deals. Packages offered currently range from 1.5 Mbps to 20 Mbps with minimum subscription fees at Rp235,000 per month. With 20Mbps of unlimited access, First Media Group offers the fastest truly broadband Internet service in Indonesia. It has the unique opportunity to sell premium products to its target customers by leveraging its exclusive access to high-end customer segments. First Media Group also takes care of kids’ Internet access needs by providing innovative and content-protected FastNet KIDS packages.

HomeCable now offers a total of 99 SD (standard definition) channels of local and international TV plus 21 HD (high definition) channels covering news, education, movies, lifestyle, entertainment, sports and music channels. Packages offered include HomeCable Family, HomeCable Family Plus, HomeCable Ultimate, Sport Channels and attractive selection packs/add-ons with minimum subscription fees at Rp90,000 per month, depending on the number of channels/selections.

DataComm services provide excellent connectivity and availability for decision making process and business continuity. DataComm continues to serve the demand from corporate customers for high reliability connection using the latest technology of fibre optic cable. The Metro Ethernet technology applied in the network backbone gives the corporate customers the very simple and flexible technology to adapt. Through its DataComm business, First Media Group is presently the market leading provider of high capacity and high speed data communications solutions to its commercial subscribers with cutting-edge technology in coverage of key commercial office buildings and hotels in Jakarta region. DataComm has been the sole network provider to the Indonesia Stock Exchange for its JATS-Remote Trading for over nine years now.

During the Three-month Period, First Media Group continued its focus on improvement of its services and customer satisfaction in order to grow its customer base as well as its new rollout on the infrastructure to cover untapped areas. The results were healthy growth of its customer base, strengthening of the dominance of its Triple-Play Megamedia services, together with achievement of satisfactory operating results. First Media Group has implemented more aggressive marketing campaign to promote its service offerings and introduced more channels and packages as aforesaid to meet market needs.

First Media Group continued its second phase network coverage expansions. During the Three-month Period, it has added over 59,000 home pass to its HFC network. By the end of March 2012, its fibre optic cable reached over 4,280 km whilst its coaxial cable network reached over 6,416 km, passing more than 714,000 homes. This HFC network covers major residential and central business districts in Greater Metropolitan Jakarta and other prime cities in Indonesia such as Surabaya and Bali. As at 31st March 2012, the number of cable TV subscribers and broadband Internet subscribers continued their increase trend reaching over 204,400 and over 207,600 respectively. First Media Group is rolling out its new high speed 4G WiMAX service "Sitra" to cope with rising demand for mobile data service driven by affluence of smartphones and tablet devices. The network already covers some prominent areas in West and South Jakarta. Sitra aims to augment its subscriber base and generate more revenue.

PROSPECTS

AcrossAsia Group's businesses enjoyed growth momentum during the Three-month Period, thanks to the continuous economic growth in Indonesia. It is well positioned to pursue its expansion plans for its lucrative and potential service offerings and increase their penetration rates in the course of 2012. At the same time, it is exploring opportunities to strengthen its leading position as being the Quadruple-play megamedia service provider and financial position in the wake of the global economic climate.

DISCLOSURE OF INTERESTS IN SECURITIES

Directors and Chief Executive

As at 31st March 2012, 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*

None of the Directors or chief executive of the Company were interested in any physically settled equity derivatives of the Company or any of its associated corporations.

(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 2012, 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 (“Madam Suryawaty”) | 3,669,576,788 | 72.45 |

Notes:

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 is the trustee of a discretionary trust, which was founded by Dr. Riady who does not have any interest in the shares of Lanius. The beneficiaries of the trust include his family members.

Dr. Riady and his wife, Madam Suryawaty, are taken to be interested in the shares of the Company under the provisions of the SFO.

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 2012, 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

The Company 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 2012.

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 substantial 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
Vicente B. ANG
Director and Chief Executive Officer

Hong Kong, 8th May 2012