

ACROSS ASIA LIMITED

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

Half-year Report 2012

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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.

HALF-YEAR REPORT 2012

For the six months ended 30th June 2012

HIGHLIGHTS

- AcrossAsia Group's turnover increased by 27.6% to HK\$540.2 million compared to HK\$423.3 million for the same period in 2011 mainly contributed by sustainable increase in demand for broadband Internet and cable TV services.
- AcrossAsia Group's gross profit increased by 19.4% to HK\$400.9 million from HK\$335.7 million for the same period in 2011 mainly attributable to additional demand for foregoing services.
- Gross profit margin reduced to 74.2% from 79.3% for the corresponding period in 2011 mainly due to higher Internet access charges and cable TV programme fees incurred for meeting fast-growing demand for broadband Internet and cable TV services of HK\$81.9 million (2011: HK\$56.2 million).
- AcrossAsia Group recorded a profit from operations of HK\$54.4 million compared to a loss of HK\$3.4 million for the same period in 2011.
- Total operating expenses (excluding other income and expenses) increased to HK\$375.1 million from HK\$359.8 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 cable TV and broadband Internet services, and a reduction of professional fees.
- AcrossAsia Group's finance costs reduced to HK\$30.3 million compared to HK\$57.3 million for the same period in 2011 due to repayment of certain loans in 2011.
- AcrossAsia Group recorded a loss attributable to owners of the Company of HK\$32.9 million compared to HK\$58.2 million for the same period in 2011.

HALF-YEAR RESULTS (UNAUDITED)

The Directors of AcrossAsia Limited (the "Company") announce the unaudited condensed consolidated financial statements (the "Financial Statements") of the Company and its subsidiaries (collectively "AcrossAsia Group") for the six months ended 30th June 2012 (the "Half-year Period") together with comparative figures for the corresponding period ended 30th June 2011, as follows:

Condensed Consolidated Income Statement of AcrossAsia Group

	Note	Six months ended 30th June		Three months ended 30th June	
		2012 HK\$'000	2011 HK\$'000	2012 HK'000	2011 HK'000
Turnover	2	540,243	423,273	278,947	223,726
Cost of services rendered		(139,359)	(87,528)	(71,435)	(46,014)
Gross profit		400,884	335,745	207,512	177,712
Interest income		17,194	1,024	7,419	688
Other income		1,578	1,684	(18)	818
Net exchange gain		9,838	17,989	8,196	603
Selling and distribution expenses		(48,978)	(34,184)	(25,093)	(16,588)
General and administrative expenses		(326,127)	(325,609)	(157,832)	(187,865)
Profit/(loss) from operations	3	54,389	(3,351)	40,184	(24,632)
Finance costs		(30,270)	(57,346)	(21,094)	(28,590)
Profit/(loss) before tax		24,119	(60,697)	19,090	(53,222)
Income tax expense	4	(13,549)	(12,166)	(11,031)	(6,969)
Profit/(loss) for the period		10,570	(72,863)	8,059	(60,191)
Profit/(loss) attributable to:					
Owners of the Company	5	(32,897)	(58,188)	(14,925)	(41,754)
Non-controlling interests		43,467	(14,675)	22,984	(18,437)
		10,570	(72,863)	8,059	(60,191)
Loss per share attributable to owners of the Company					
Basic (HK cents)	5	(0.65)	(1.15)	(0.29)	(0.82)
Diluted (HK cents)	5	N/A	N/A	N/A	N/A

Condensed Consolidated Statement of Comprehensive Income of AcrossAsia Group

	Six months ended 30th June		Three months ended 30th June	
	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Profit/(loss) for the period	10,570	(72,863)	8,059	(60,191)
Other comprehensive income:				
Currency translation differences	(69,448)	17,496	(83,226)	(8,036)
Total comprehensive income for the period	(58,878)	(55,367)	(75,167)	(68,227)
Total comprehensive income attributable to:				
Owners of the Company	(60,775)	(53,489)	(59,666)	(40,741)
Non-controlling interests	1,897	(1,878)	(15,501)	(27,486)
	(58,878)	(55,367)	(75,167)	(68,227)

Condensed Consolidated Statement of Financial Position of AcrossAsia Group

		(Unaudited) As at 30th June 2012 HK\$'000	(Audited) As at 31st December 2011 HK\$'000
	<i>Note</i>		
Non-current assets			
Property, plant and equipment	6	1,486,979	1,388,449
Available-for-sale financial assets		8,207	4,326
Other intangible assets		93,894	99,778
Deferred tax assets		67,818	30,999
Non-current prepayments, deposits and receivables		256,944	225,908
		1,913,842	1,749,460
Current assets			
Trade receivables	7	95,993	85,679
Due from related companies		176	3,587
Prepayments, deposits and other current assets		233,779	289,704
Bank and cash balances		694,862	691,568
		1,024,810	1,070,538
TOTAL ASSETS		2,938,652	2,819,998
Capital and reserves			
Share capital		50,646	50,646
Reserves		187,124	247,899
Equity attributable to owners of the Company		237,770	298,545
Non-controlling interests		1,194,231	1,192,334
Total equity		1,432,001	1,490,879
Non-current liabilities			
Employees' benefits obligations		30,157	24,426
Interest-bearing borrowings		162,953	61,257
Bond payable		591,674	612,210
Finance lease payables		46,623	2,509
Due to related companies		24,070	24,906
		855,477	725,308
Current liabilities			
Interest-bearing borrowings		258,908	246,293
Notes payable		4,098	4,240
Finance lease payables		17,771	689
Due to a related company		4,000	4,000
Trade payables	8	175,110	165,778
Receipts in advance		20,255	21,298
Other payables and accruals		128,786	118,678
Current tax payable		42,246	42,835
		651,174	603,811
Total liabilities		1,506,651	1,329,119
TOTAL EQUITY AND LIABILITIES		2,938,652	2,819,998
Net current assets		373,636	466,727
Total assets less current liabilities		2,287,478	2,216,187

Condensed Statement of Financial Position of the Company

	(Unaudited) As at 30th June 2012 HK\$'000	(Audited) As at 31st December 2011 HK\$'000
Non-current assets		
Interests in subsidiaries	430,849	430,849
Available-for-sale financial assets	67	67
Non-current prepayments, deposits and receivables	299	354
	431,215	431,270
Current assets		
Due from related companies	176	323
Financial assets at fair value through profit or loss	25,886	26,790
Prepayments, deposits and other current assets	50,160	50,031
Bank and cash balances	342	650
	76,564	77,794
TOTAL ASSETS	507,779	509,064
Capital and reserves		
Share capital	50,646	50,646
Reserves	(9,094)	3,953
EQUITY	41,552	54,599
Current liabilities		
Interest-bearing borrowings	93,600	93,600
Due to a subsidiary	361,451	352,393
Due to a related company	4,000	4,000
Other payables and accruals	7,176	4,472
	466,227	454,465
Total liabilities	466,227	454,465
TOTAL EQUITY AND LIABILITIES	507,779	509,064
Net current liabilities	(389,663)	(376,671)
Total assets less current liabilities	41,552	54,599

Condensed Consolidated Statement of Changes in Equity of AcrossAsia Group

	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	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	—	—	4,699	(58,188)	(53,489)	(1,878)	(55,367)
Deemed disposal of subsidiaries	—	—	—	511,948	511,948	958,651	1,470,599
At 30th June 2011	50,646	414,318	7,584	(106,511)	366,037	1,239,113	1,605,150
At 1st January 2012	50,646	414,318	(37,665)	(128,754)	298,545	1,192,334	1,490,879
Total comprehensive income and changes in equity for the period	—	—	(27,878)	(32,897)	(60,775)	1,897	(58,878)
At 30th June 2012	50,646	414,318	(65,543)	(161,651)	237,770	1,194,231	1,432,001

Condensed Statement of Changes in Equity of the Company

	Share capital <i>HK\$'000</i>	Share premium account <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1st January 2011	50,646	414,318	(187,203)	277,761
Total comprehensive income and changes in equity for the period	—	—	(211,627)	(211,627)
At 30th June 2011	50,646	414,318	(398,830)	66,134
At 1st January 2012	50,646	414,318	(410,365)	54,599
Total comprehensive income and changes in equity for the period	—	—	(13,047)	(13,047)
At 30th June 2012	50,646	414,318	(423,412)	41,552

Condensed Consolidated Statement of Cash Flows of AcrossAsia Group

	Six months ended 30th June	
	2012 HK\$'000	2011 HK\$'000
Net cash inflow from operating activities	127,959	33,264
Net cash outflow from investing activities	(198,695)	(353,123)
Net cash inflow from financing activities	116,099	1,131,593
Net increase in cash and cash equivalents	45,363	811,734
Cash and cash equivalents, beginning of period	691,568	67,087
Effect of foreign exchange rate changes	(42,069)	(37,661)
Cash and cash equivalents, end of period	694,862	841,160
Analysis of balances of cash and cash equivalents		
Bank and cash balances	694,862	841,160

Notes:

1. Principal accounting policies

The unaudited consolidated financial statements 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 financial statements of AcrossAsia Group and the condensed statement of financial position and the condensed statement of changes in equity of the Company for the Half-year Period.

2. Segment information

No segment information is presented for the Half-year Period and the corresponding period in 2011 as AcrossAsia Group principally 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 Half-year Period and the corresponding period in 2011 and accordingly, no major customers information is presented.

3. Profit/(loss) from operations

AcrossAsia Group’s profit/(loss) from operations is arrived at after charging/crediting:

	Six months ended 30th June		Three months ended 30th June	
	2012 HK\$'000	2011 HK\$'000	2012 HK\$'000	2011 HK\$'000
Depreciation	95,876	77,800	49,506	43,190
Amortisation of intangible assets	7,420	6,160	3,987	3,376
Bad debt expense/provision for doubtful debts	13,495	9,451	4,454	6,850
Net gain/(loss) on disposal of plant and equipment	1,578	1,161	(19)	327

4. Income tax expense

	Six months ended 30th June		Three months ended 30th June	
	2012 HK\$'000	2011 HK\$'000	2012 HK\$'000	2011 HK\$'000
Current tax — overseas	52,480	8,767	26,082	3,959
Deferred tax (benefit)/expense	(38,931)	3,399	(15,051)	3,010
	13,549	12,166	11,031	6,969

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.

5. Loss per share

The calculation of basic loss per share attributable to the owners of the Company is based on the loss attributable to the owners of the Company for the Half-year Period of HK\$32,897,000 (2011: HK\$58,188,000) and 5,064,615,385 ordinary shares issued for the Half-year Period and the corresponding period in 2011.

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary shares for the Half-year Period and the corresponding period in 2011.

6. Property, plant and equipment

During the Half-year Period, AcrossAsia Group spent approximately HK\$241,485,000 (2011: HK\$357,504,000) on acquisition of property, plant and equipment.

7. Trade receivables

AcrossAsia Group's trading terms with its customers 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 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:

	As at 30th June 2012 HK\$'000	As at 31st December 2011 HK\$'000
Within 1 month	50,311	53,000
1 to 2 months	12,087	14,981
2 to 3 months	8,059	9,917
Over 3 months	25,536	7,781
	95,993	85,679

As at 30th June 2012, the trade receivables of AcrossAsia Group included receivables from certain related companies of HK\$4,593,000 (as at 31st December 2011: HK\$17,698,000). The balances were unsecured, interest-free and repayable principally in accordance with normal trading terms.

8. Trade payables

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

	As at 30th June 2012 HK\$'000	As at 31st December 2011 HK\$'000
Within 1 month	48,130	58,545
1 to 2 months	10,509	12,620
2 to 3 months	7,413	2,850
Over 3 months	109,058	91,763
	175,110	165,778

As at 30th June 2012, the trade payables of AcrossAsia Group included payables to certain related companies of HK\$66,423,000 (as at 31st December 2011: HK\$71,884,000). The balances were unsecured, interest-free and payable principally in accordance with normal trading terms.

9. Capital commitments

The Company had no capital commitments as at 30th June 2012 and 31st December 2011.

10. 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 Annual Report 2011 of the Company, save as mentioned in this Report.

11. Related party transactions

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

	Six months ended 30th June	
	2012 HK\$'000	2011 HK\$'000
Subscription fee income for data communications services received from PT Matahari Putra Prima Tbk	318	907

12. Comparative figures

Certain comparative figures have been reclassified to conform to the Half-year Period's presentation.

13. Litigation

Subsequent to the disclosure in the Company's First Quarterly Report 2012, the Company's appeal against the decision of the Court of First Instance 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 was heard on by the Court of Appeal on 3rd August 2012. The Court of Appeal dismissed the Company's appeal and ordered the parties to reach agreement as to when the payment of the amounts due or accruing due from the Company to First Media should be paid due into Court. In the absence of such agreement the matter is to be referred to the Court of First Instance judge for determination of the date. The Company is in the process of seeking legal advice on the prospects of an appeal. Further, the Court has not yet determined the arbitration proceedings and as stated in the Company's First Quarterly Report 2012, based on a legal opinion obtained from the Company's Hong Kong lawyer, the Directors of the Company remain 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 Half-year Period (2011: Nil).

FINANCIAL REVIEW

AcrossAsia Group's results for the Half-year Period were analysed as follows:

Turnover

AcrossAsia Group's turnover increased by 27.6% to HK\$540.2 million compared to HK\$423.3 million for the same period in 2011 mainly contributed by sustainable increase in demand for broadband Internet and cable TV services.

Gross Profit

AcrossAsia Group's gross profit increased by 19.4% to HK\$400.9 million from HK\$335.7 million for the same period in 2011 mainly attributable to additional demand for foregoing services. The gross profit margin reduced to 74.2% from 79.3% for the corresponding period in 2011 mainly due to higher Internet access charges and cable TV programme fees incurred for meeting fast-growing demand for broadband Internet and cable TV services of HK\$81.9 million (2011: HK\$56.2 million).

Profit from Operations

AcrossAsia Group recorded a profit from operations of HK\$54.4 million compared to a loss of HK\$3.4 million for the same period in 2011. Total operating expenses (excluding other income and expenses) increased to HK\$375.1 million from HK\$359.8 million for the same period in 2011 mainly as a result of increase in depreciation charges of HK\$95.9 million (2011: HK\$77.8 million), sales promotion and commission of HK\$22.4 million (2011: HK\$18.2 million), bad debts of HK\$13.5 million (2011: HK\$9.5 million) and staff salaries and benefits of HK\$124.5 million (2011: HK\$79.5 million) to support the WiMAX business and rapid growth of cable TV and broadband Internet services, and a reduction of professional fees by HK\$36.2 million to HK\$12.5 million from HK\$48.7 million for the same period in 2011. AcrossAsia Group's finance costs reduced to HK\$30.3 million compared to HK\$57.3 million for the same period in 2011 due to repayment of certain loans in 2011.

Loss attributable to Owners

AcrossAsia Group recorded a loss attributable to the owners of the Company of HK\$32.9 million compared to HK\$58.2 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") continued to record growth in their services. First Media Group is the unrivalled 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 major 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 100 SD (standard definition) channels of local and international TV plus 23 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 ten years now.

During the Half-year Period, First Media Group maintained 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 major 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's second phase network coverage expansions are underway. During the Half-year Period, it has added over 73,000 home pass to its HFC network. By the end of June 2012, its fibre optic cable reached over 4,594 km whilst its coaxial cable network reached over 6,897 km, passing more than 787,400 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 30th June 2012, the number of cable TV subscribers and broadband Internet subscribers continued their increase trend reaching over 225,600 and over 226,400 respectively. First Media Group is implementing the rollout of 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 is expanding its subscriber base and generating more revenue.

First Media Group is also developing new businesses such as Berita Satu channel, film TV and advertisement content. Berita Satu as a news content service provider is broadcasted through the HomeCable with HD broadcast quality. Right after its broadcast, Berita Satu becomes the main choice for HomeCable pay-TV network subscribers in searching for the best and balanced information.

PROSPECTS

The Indonesian economy maintained its resilience amidst global economic slowdown during the Half-year Period, and grew by 6.3% compared to the same period in 2011 as a result of continuing strong domestic consumption and foreign and domestic investment. Indonesia's growth is the fastest amongst G20 nations after China. It is therefore expected that AcrossAsia Group can continue to ride on the growth momentum and pursue its business expansion plans in the second half of 2012. By capitalising on its expanding networks and Quadruple-play megamedia services, AcrossAsia Group will further foster its revenue base and financial position and optimise its business performance.

FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Half-year Period, AcrossAsia Group financed its operations, acquired property, plant and equipment, purchased financial and intangible assets and repaid loans and debts with its internal resources. It utilised an aggregate amount of HK\$291.7 million for the above activities but still retained cash and cash equivalents of HK\$694.9 million as at 30th June 2012. It had current assets of HK\$1,024.8 million as at 30th June 2012. Total interest-bearing borrowings including notes payable, finance lease payables and bond payable increased by HK\$154.8 million to HK\$1,082.0 million as at 30th June 2012 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 trade receivables.

During the Half-year Period, AcrossAsia Group implemented and is continuing to implement the following management plan to further improve its financial position: restructuring of current borrowings to long-term loans; enhancement of operational efficiency; procurement of long-term debt/equity financing; extension of the penetration of the cable TV and other services; and exploration of new business opportunities. AcrossAsia Group's gearing ratio, representing total borrowings divided by equity attributable to the owners of the Company, was 4.6 times as at 30th June 2012 compared to 2.3 times as at 30th June 2011.

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 monitor and manage its foreign exchange exposure.

EMPLOYEES

As at 30th June 2012, AcrossAsia Group had approximately 1,004 employees. For the Half-year Period, the staff costs (including Directors' emoluments) were approximately HK\$124.5 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 incentive bonus and training schemes.

DISCLOSURE OF INTERESTS IN SECURITIES

Directors and Chief Executive

As at 30th June 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 30th June 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 30th June 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 share option scheme of the Company adopted on 14th May 2002 (the "2002 Scheme") expired during the Half-year Period. No options had been granted under the 2002 Scheme.

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 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 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.

CHANGE OF INFORMATION OF DIRECTOR

Mr. Vicente Binalhay ANG is also a director of Theta Capital Pte. Ltd. whose debt securities have been listed on Singapore Exchange Securities Trading Limited since May 2012.

CORPORATE GOVERNANCE CODE

The Company has implemented measures to meet the Corporate Governance Code 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
Vicente B. ANG
Director and Chief Executive Officer

Hong Kong, 10th August 2012