AcrossAsia Limited

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

ANNUAL REPORT 2013

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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

This Annual 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 Annual 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 Annual Report misleading.

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CORPORATE INFORMATION

DIRECTORS

Executive Director

Vicente Binalhay ANG *(Chief Executive Officer)*

Independent non-executive Directors

Albert Saychuan CHEOK *(Chairman of the Board)*
Dr. Boh Soon LIM
Thomas Yee Man LAW

COMPANY SECRETARY

Vicente Binalhay ANG

COMPLIANCE OFFICER

Vicente Binalhay ANG

AUDIT COMMITTEE

Albert Saychuan CHEOK
(Chairman of the Audit Committee)
Dr. Boh Soon LIM
Thomas Yee Man LAW

REMUNERATION COMMITTEE

Albert Saychuan CHEOK
(Chairman of the Remuneration Committee)
Dr. Boh Soon LIM

NOMINATION COMMITTEE

Albert Saychuan CHEOK
(Chairman of the Nomination Committee)
Dr. Boh Soon LIM

AUTHORISED REPRESENTATIVES

Vicente Binalhay ANG
Thomas Yee Man LAW

AUTHORISED PERSON TO ACCEPT SERVICE OF PROCESS AND NOTICES

Alice Yeuk Ki LO

REGISTERED OFFICE

The offices of Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 4201, 42nd Floor, Tower One
Lippo Centre, 89 Queensway
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited*
26th Floor, Tesbury Centre
28 Queen's Road East
Hong Kong

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong Law:

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18 Chater Road, Central
Hong Kong

Reed Smith Richards Butler
20th Floor, Alexandra House
18 Chater Road, Central
Hong Kong

As to Cayman Islands Law:

Maples and Calder
53rd Floor, The Center
99 Queen's Road Central
Hong Kong

AUDITOR

RSM Nelson Wheeler
Certified Public Accountants
29th Floor, Caroline Centre
Lee Gardens Two
28 Yun Ping Road
Hong Kong

PRINCIPAL BANKER

China CITIC Bank International Limited
Lippo Centre, 89 Queensway
Hong Kong

STOCK CODE

8061

WEBSITES OF THE COMPANY AND MAJOR SUBSIDIARIES

www.across-asia.com
www.firstmedia.com
www.link.net.id

* Tricor Tengis Limited will be relocated to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31st March 2014

On behalf of the Board of Directors (the "Board") of the Company, I present the Annual Report of the Company and its subsidiaries (collectively "AcrossAsia Group") for the financial year ended 31st December 2013 ("2013") to our shareholders.

2013 continued to be a very challenging year for the Company notwithstanding the promising outlook for the business operations of the Company's subsidiaries, in particular PT First Media Tbk ("First Media") in Indonesia, which the Company owns 55.1%. As in the previous years, much of the resources and efforts of the Board and Management of the Company have been deployed in responding to and dealing with the garnishee proceedings in Hong Kong on the one hand and the arbitration and bankruptcy proceedings in Indonesia on the other hand, both of which had their common origin in a Singaporean arbitration dispute between the Astro Group of Malaysia ("Astro Group") and First Media.

Particulars of this dispute and its resulting series of legal proceedings have been detailed in the 2012 Annual Report, the Company's announcements and note 43 to the financial statements and I will therefore not repeat it. However, certain events which happened since the later part of 2013 were particularly encouraging and worth highlighting to our shareholders:

(1) On 31st October 2013, the Singapore Court of Appeal handed down its decision which effectively reduced Astro Group's arbitration awards to a residual amount of approximately 0.3% of the original amounts estimated at US$250 million. On 13th November 2013, First Media fully paid the residual amount and, accordingly, it is First Media's position that there is no longer any payment due by First Media to Astro Group pursuant to the awards.

(2) As to Astro Group's attempt to enforce the original Singapore arbitration awards and a 2010 Hong Kong High Court judgment against First Media (the "Hong Kong Judgment") by attaching the debt due by the Company to First Media by way of a garnishee order to show cause, the Hong Kong High Court made an order for garnishee order absolute against the Company on 31st October 2013. Even though a date has yet to be fixed by the Hong Kong Court of Appeal for the hearing of the Company's appeal, the Company has successfully obtained an order from the Hong Kong High Court on 24th January 2014 for unconditional stay of the garnishee order absolute ("Stay Order"), so the Company is not required to make any payment of the garnished debt of US$46,774,403 to Astro Group and Astro Group is not allowed to levy execution proceedings on the garnishee order absolute against the Company until determination of First Media's application to setaside the Hong Kong Judgment ("Setting Aside Application").

(3) On 7th February 2014, Astro Group issued a summons seeking leave to appeal against the Stay Order ("Astro's Summons"). Astro's Summons came up for hearing today and the Hong Kong Court has dismissed Astro's Summons with costs. This means that the Company is not required to make any payment to Astro pursuant to the Garnishee Order Absolute until the determination of First Media's Setting Aside Application.

(4) As to the bankruptcy proceedings in Indonesia, even though the Company was declared bankrupt on 5th March 2013 pursuant to Indonesia laws, the Company was advised by its Cayman Islands and Hong Kong lawyers respectively, that as the Company is not wound up pursuant to Cayman Islands law where the Company is incorporated and Hong Kong law where the Company has its principal place of business, the Board accordingly continues to have authority in respect of the Company and operations of First Media, being the principal subsidiary of the Company, are unaffected by the Indonesian Bankruptcy Order. The Company has appealed vigorously against the bankruptcy order and will seek a Judicial Review against the Indonesian Bankruptcy Order. According to our Indonesian lawyer, the Company has raised good grounds in its appeal.

CHAIRMAN'S STATEMENT

Notwithstanding the continuing legal proceedings and the financial burden of high legal costs arising from these litigations and the effects of the recent rapid depreciation of the Indonesian currency, the Board is pleased to see that the major operating subsidiaries of the Company continue to grow their businesses in keeping with the promising economic growth in Indonesia.

Indonesia recorded a continuous growth in GDP (Gross Domestic Product) of over 6% for six consecutive years and is expected to maintain the growth trend in 2014. Domestic consumption continues to drive the Indonesian economic growth. The expanding middle class and its relatively young 240-million population, the growing economic affluence and global consumer technology trend and the increasing demand for data and media services will greatly benefit the core businesses of the AcrossAsia Group.

Principally centred in First Media, our business has produced excellent results on a number of fronts in 2013:

(1) As detailed in our Business Review, we now have 14% more Internet and cable TV subscribers and our network offers significantly faster Internet speed, more TV channels (especially high definition TV channels) and covers more areas than in 2012. Our cables passed more than 1,000,000 homes for the first time in 2013.

(2) Despite the recent rapid depreciation of the Indonesian currency, we achieved great results even in Hong Kong dollar terms. Our record-high turnover of HK$1,299.5 million comprised mainly HK$700.9 million from broadband Internet and HK$409.3 million from cable TV businesses, representing increases of 14% and 21% respectively from 2012.

(3) Our gross profit increased by 22.6% to HK$948.2 million partly as a result of the increase in turnover and, more importantly, our ability to raise our gross profit margin from 70.9% to 73.0%.

It has been a challenging year for the Company, and it is nice to note the above achievements by First Media in 2013 despite the burdens and stresses created for the Company in being caught in the crossfire between the Astro Group and First Media.

As a result of the appointment of the Receivers, the Auditor has issued an adverse opinion as it believes that AcrossAsia has ceded control over First Media following the appointment of the Receivers in Indonesia and as a consequence, the Auditor is of the opinion, pursuant to International Financial Reporting Standard 10 that the financial statements of First Media should not be consolidated with the Company. However, the Board considers that until the legal process has run its course in Indonesia it would be premature to deconsolidate the financial statements of First Media and therefore it would be appropriate to continue to prepare the Company's financial statements on a consolidated basis.

On behalf of the Board, I would like to express my earnest gratitude to the clients, suppliers and business partners of AcrossAsia Group for their continuing support. I would also like to thank my fellow Directors for their dedication, support and guidance. I also extend my appreciation to the Management and Staff for their hard work, contributions and commitment.

Albert Saychuan CHEOK
Chairman

Hong Kong, 21st March 2014

A summary of the consolidated results and the consolidated assets and liabilities of AcrossAsia Group for the last five financial years, as extracted from the published audited consolidated financial statements and restated as appropriate, is set out below:

	2013	2012	2011	2010	2009
	HK$'000	*HK$'000* (restated)	*HK$'000* (restated)	*HK$'000*	*HK$'000*
CONSOLIDATED RESULTS					
Continuing operations					
Turnover	**1,299,479**	1,091,166	920,648	708,984	537,147
Gross profit	**948,244**	773,391	724,985	554,464	320,247
(Loss)/profit for the year from continuing operations	**(143,104)**	(27,064)	(64,189)	(17,720)	137,922
Profit for the year from discontinued operations	**—**	—	—	—	159,515
(Loss)/profit after tax but before non-controlling interests	**(143,104)**	(27,064)	(64,189)	(17,720)	297,437
(Loss)/profit attributable to owners of the Company	**(158,682)**	(89,879)	(80,431)	(33,145)	162,234
CONSOLIDATED ASSETS & LIABILITIES					
Equity attributable to owners of the Company	**(60,519)**	159,549	291,905	(92,422)	(61,364)
Non-current assets	**2,187,014**	2,190,249	1,749,460	1,261,363	1,191,146
Current assets	**787,630**	961,287	1,070,538	232,187	191,472
Current liabilities	**1,269,949**	883,271	603,811	801,938	761,348
Non-current liabilities	**777,911**	925,608	741,760	501,694	595,782

FINANCIAL REVIEW

AcrossAsia Group's results for 2013 were analysed as follows:

Turnover

AcrossAsia Group's turnover increased by 19.1% to HK$1,299.5 million compared to HK$1,091.2 million for 2012 mainly contributed by sustainable increase in demand for broadband Internet and data communication services by HK$83.8 million in aggregate to HK$700.9 million compared to HK$617.1 million in 2012 and cable TV services by HK$71.6 million to HK$409.3 million from HK$337.7 million for 2012.

Gross Profit

AcrossAsia Group's gross profit increased by 22.6% to HK$948.2 million from HK$773.4 million for 2012 mainly attributable to additional demand for foregoing services. The gross profit margin increased to 73.0% from 70.9% for 2012 primarily due to cost cutting measures.

(Loss)/profit from Operations

Despite the increase in gross profit, AcrossAsia Group recorded a loss from operations of HK$22.0 million compared to a profit of HK$31.9 million (restated) for 2012 mainly due to exchange losses of HK$79.3 million (2012: exchange gains of HK$17.7 million) and a substantial increase in operation expenses. Total operating expenses (excluding other income and expenses) increased to HK$907.7 million from HK$799.7 million (restated) for 2012 mainly as a result of increase in staff salaries and benefits of HK$257.0 million (2012: HK$226.4 million (restated)) to support the 4G service business and rapid growth of cable TV and broadband Internet services and legal and professional fees of HK$88.8 million (2012: HK$31.1 million).

Loss attributable to Owners

AcrossAsia Group recorded a loss attributable to the owners of the Company of HK$158.7 million compared to HK$89.9 million (restated) for 2012.

Finance Resources and Capital Structure

AcrossAsia Group acquired property, plant and equipment, purchased intangible assets, injected into associates and repaid loans and debts with funds generated from operations of HK$298.9 million, proceeds from disposal of property, plant and equipment of HK$221.6 million and raised from loans and borrowings of HK$381.6 million. It utilised an aggregate amount of HK$1,093.7 million for the above activities but still retained cash and cash equivalents of HK$250.9 million as at 31st December 2013. It had current assets of HK$787.6 million as at 31st December 2013. Total interest-bearing borrowings including loans, notes payable, finance lease payables and bond payable decreased by HK$57.1 million to HK$1,151.1 million as at 31st December 2013 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 AcrossAsia Group's property, plant and equipment and trade receivables.

During the year, AcrossAsia Group implemented and is continuing to implement the following management plan to further improve its financial position: restructuring of borrowings and 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 negative 19.0 times as at 31st December 2013 due to the Company's negative equity position.

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 year, the foreign currency exposure had substantial negative impact on AcrossAsia Group's results mainly due to the recent rapid depreciation of the Indonesian Rupiah. AcrossAsia Group will continue to monitor and manage its foreign exchange exposure.

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") maintained the growth momentum of 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.

As mentioned before, FastNet is an unlimited high-speed Internet access service offering a variety of connection speeds with smart values and best deals. The service is being enhanced and upgraded continuously. Packages offered currently range from 6 Mbps to 100 Mbps (upgraded from 30 Mbps) with minimum subscription fees at Rp359,000 (increased from Rp350,000) per month. With 100 Mbps 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 113 SD (standard definition) channels of local and international TV plus 52 HD (high definition) channels covering news, education, movies, lifestyle, entertainment, sports and music channels. Packages offered include HomeCable Family Plus, HD HomeCable Ultimate, HD Sport Channels and attractive selection packs/add-ons with minimum subscription fees at Rp179,000 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 remains as 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. As at 31st December 2013, total corporate accounts were 1,160 and total links were 1,743.

During 2013, 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 continued 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 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 2013, it has added over 261,000 home pass to its HFC network. By the end of 2013, its fibre optic cable reached over 6,779 km whilst its coaxial cable network reached over 9,530 km, passing more than 1,190,000 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 December 2013, the number of cable TV subscribers and broadband Internet subscribers continued their increase trend reaching over 312,000 and over 332,000 respectively. First Media Group is rolling out its new high speed 4G service 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 Jabodetabek (Jakarta, Bogor, Depok, Tangerang and Bekasi). The 4G service is expanding its subscriber base and generating more revenue though the pace was slower than expected in 2013.

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 has become the main choice for HomeCable pay-TV network subscribers in searching for the best and balanced information.

PROSPECTS

The Board is delighted with the resilience in Indonesia's economic growth that is mainly attributable to strong domestic consumption and foreign and domestic investment, despite continuous global economic slowdown. The positive trend is forecast to continue in 2014 with Indonesia expected to stay at the top amongst Southeast Asian countries in terms of GDP growth. The substantial expansion and enhancement of AcrossAsia Group's broadband Internet, cable TV and the 4G service networks and services in 2013 is laudable as that would facilitate higher penetration rates and customer base and pave way for higher growth of the businesses in near future. AcrossAsia Group will continue to optimise its business performance of the expanding networks and Quadruple-play megamedia services while going on to strengthen its revenue streams and financial position.

EMPLOYEES

As at 31st December 2013, AcrossAsia Group had approximately 1,170 employees (2012: 1,020). Their remuneration, promotion and salary review are assessed based on job responsibilities, work performance, professional experiences and the prevailing industry practices. AcrossAsia Group's employees in Hong Kong joined the Mandatory Provident Fund Scheme. Other benefits include incentive bonus and training schemes.

EXECUTIVE DIRECTOR

Mr. Vicente Binalhay ANG, aged 66, has been an executive Director, Chief Executive Officer, Compliance Officer and Authorised Representative of the Company since May 2012 and is also the Company Secretary of the Company since November 2013. He is also a director of certain subsidiaries of the Company. He was a Partner Adviser of Ernst & Young Indonesia. He has over 15 years of financial consulting and audit experience across a broad range of industry sectors. He also has 7 years' prior working experience with the International Banking Department of an American bank. He is also a director of Theta Capital Pte. Ltd. ("Theta Capital") and the debt securities of Theta Capital are listed on the Singapore Exchange Securities Trading Limited (the "Singapore Exchange"). He holds a bachelor's degree in Accounting and a master's degree in Economics. He is a registered Philippine Certified Public Accountant.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Albert Saychuan CHEOK, aged 63, joined the Board as an independent non-executive Director in February 2006 and was appointed the Chairman of the Board in October 2008. He is also the Chairman of the Audit Committee, Remuneration Committee and Nomination Committee of the Board and a director of a subsidiary of the Company.

He is a Fellow of CPA Australia Ltd. He graduated from the University of Adelaide, Australia with First Class Honours in Economics. He is a banker with over 35 years experience in banking in the Asia-Pacific region. Between May 1979 and February 1982, he was an adviser to the Australian Government Inquiry into the Australian financial system which introduced comprehensive reforms to the Australian banking system. He was Chief Manager at the Reserve Bank of Australia from October 1988 to September 1989 before becoming the Deputy Commissioner of Banking of Hong Kong for about three and a half years. He was subsequently appointed as the Executive Director in charge of Banking Supervision at the Hong Kong Monetary Authority from April 1993 to May 1995.

From September 1995 to November 2005, he was the Chairman of Bangkok Bank Berhad in Malaysia, a wholly-owned subsidiary of Bangkok Bank of Thailand. He also served as the Deputy Chairman of Asia Life (M) Berhad, a major life insurer in Malaysia from January 1999 to June 2008 and was the Vice Chairman of Export and Industry Bank, Inc. in the Philippines.

He is currently the independent non-executive Chairman of Auric Pacific Group Limited ("Auric"), a diversified food group listed on the Singapore Exchange.

He is also the independent non-executive Chairman of Bowsprit Capital Corporation Limited, the Manager of First Real Estate Investment Trust; independent non-executive Chairman of LMIRT Management Ltd., the Manager of Lippo Malls Indonesia Retail Trust; and independent non-executive Chairman of Amplefield Limited. First Real Estate Investment Trust, Lippo Malls Indonesia Retail Trust and Amplefield Limited are all listed in Singapore.

He is the Vice Governor on the Board of Governors of the Malaysian Institute of Corporate Governance and an independent non-executive director of Metal Reclamation Bhd., a company listed in Malaysia.

He is also an independent non-executive Chairman of International Standard Resources Holdings Limited and an independent non-executive director of Hongkong Chinese Limited, both of which are listed on the Stock Exchange and an independent non-executive director of Adavale Resources Limited, a company listed on Australian Securities Exchange.

Dr. Boh Soon LIM, aged 58, has been an independent non-executive Director of the Company since May 2006. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Board. He is an independent non-executive director of Auric and CSE Global Limited, both of which are listed on the Singapore Exchange. He is also an independent non-executive director of Smartag Solutions Berhad, which is listed on the ACE Market of Bursa Malaysia Securities Berhad. He was the first non-Muslim CEO of Kuwait Finance House in Singapore and was the first foreign expatriate CEO of Vietcombank Fund Management Company in Vietnam. Prior to that, he was a Partner of UBS Capital Asia Pacific (S) Limited in which he co-headed the private equity arm of UBS AG in Asia, and was also a member of its Regional Investment Committee. He graduated from the University of Strathclyde (formerly "The Royal College of Science & Technology") in the United Kingdom with a Bachelor of Science degree (First Class Honours) and a PhD degree in Mechanical Engineering, and was a winner of Professor Mellanby Memorial Prize. He also holds a Graduate Diploma in Marketing Management from the Singapore Institute of Management and a Diploma in Marketing from the Chartered Institute of Management in the United Kingdom.

Mr. Thomas Yee Man LAW, aged 56, has been an independent non-executive Director and a member of the Audit Committee of the Board since May 2010 and is also an Authorised Representative of the Company since November 2013. He is an independent non-executive director of Sage International Group Limited, a company listed on the Stock Exchange. He was the Managing Director of Hunter Douglas China/Hong Kong Limited and had been a director of various Hunter Douglas companies over a 20-year period in Singapore and Shanghai, Beijing, Shenzhen and Xiamen in China. Prior to that, he was the deputy general manager of a subsidiary of K.Wah Stones Group in Hong Kong. He graduated from the University of Melbourne in Australia with a Bachelor of Architecture degree, and from the University of Warwick in the United Kingdom with a Master of Science degree in Engineering Business. He is an associate member of the Royal Australian Institute of Architects.

SENIOR MANAGEMENT

Mr. Irwan DJAJA had resigned as the President Director of First Media in September, 2013 and his vacancy was taken by Mr. Ali CHENDRA who acts as acting CEO of First Media until a replacement is formally approved by the Board of First Media.

Mr. Ali CHENDRA, aged 53, has been the Director of First Media since 2013. He is also the President Director of PT Indonesia Media Televisi since 2012. He was previously a Board member of several companies including more than 10 years under PT Bhakti Investama Tbk (MNC Group) and several years with Skybee Group. He graduated from Control Data Institute, Toronto, with a Diploma degree in Computer Technology.

CORPORATE GOVERNANCE PRACTICES

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.

SECURITIES TRANSACTIONS BY 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 2013.

BOARD OF DIRECTORS

The composition of the Board and biographical details of the Directors are set out in the Report of the Directors and the Directors and Senior Management section in the Annual Report respectively.

During 2013, the Board held 6 physical meetings and the attendance of the Directors is as follows:

Name of Director	Number of Attendance	Percentage of Attendance
Mr. Albert Saychuan CHEOK ("Mr. Cheok")	6/6	100%
Mr. Vicente Binalhay ANG ("Mr. Ang")	6/6	100%
Dr. Boh Soon LIM ("Dr. Lim")	6/6	100%
Mr. Thomas Yee Man LAW ("Mr. Law")	6/6	100%

In addition to the physical meetings of the full Board, the Board also approved matters by resolutions in writing of all the Directors and by meetings of committees of the Board (the "Board Committees").

The Board is responsible for the overall management of the Company in accordance with the Articles of Association of the Company (the "Articles") and is entitled to delegate its powers to any executive Director, Board Committees and the management. The Board is primarily responsible for approval and monitoring of AcrossAsia Group's major corporate matters, evaluation of the performance of AcrossAsia Group and oversight of the management. The Board has delegated specific functions to the Board Committees and the daily operations to the executive Director and management in accordance with specific terms of reference and normal corporate practices and procedures. The executive Director, Board Committees and management carry out the decisions of the Board and are accountable to, consult and make recommendations to the Board as appropriate.

The Company has received the annual confirmation of independence from all the independent non-executive Directors pursuant to Rule 5.09 of the GEM Listing Rules and considered them to be independent.

To the knowledge of the Directors, the Board members have no financial, business, family or other material/relevant relationships with each other.

CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

During 2013, the Directors were briefed on AcrossAsia Group's business, operations and corporate governance matters and provided with notices, updates, amendments, etc. relating to the GEM Listing Rules and relevant laws, rules and regulations. In addition, they attended training in different means with emphasis on their roles, functions and duties as directors of a listed company as follows:

Name of Director	Self study/ reading materials, etc.	Attending course/ seminar/conference/ forum/in-house briefing, etc.
Mr. Cheok	√	√
Mr. Ang	√	√
Dr. Lim	√	√
Mr. Law	√	√

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company has two different persons for the posts of the Chairman of the Board and Chief Executive Officer. The Chairman of the Board, Mr. Cheok, is an independent non-executive Director and generally chairs all the Board meetings and general meetings. Mr. Ang (executive Director) is the Chief Executive Officer and is responsible for the day-to-day management of the Company and for carrying out the decisions of the Board with the assistance of other staff.

NON-EXECUTIVE DIRECTORS

The term of office of Mr. Cheok was extended for two years from 22nd February 2014.

The term of office of Dr. Lim was extended for two years from 2nd May 2014.

The term of office of Mr. Ang was extended for two years from 8th May 2014.

The term of office of Mr. Law was extended for two years from 28th May 2014.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the following corporate governance duties:

(1) To observe, and to charge employees with duty to observe, compliance with the GEM Listing Rules and applicable laws and regulations;

(2) To develop, review and monitor the Company's policies, procedures and practices on corporate governance and compliance with legal and regulatory requirements;

(3) To take and monitor the implementation of measures relating to:

  (a) significant breach of compliance policies;

  (b) significant compliance incidents; and

  (c) disciplinary actions taken by authorities;

(4) To maintain sound communication with the senior management, Compliance Officer and Company Secretary of the Company to ensure corporate governance and timely compliance;

(5) To pay attention to the CG Code and recommended best practices of the GEM Listing Rules and review disclosure in the corporate governance report of the Company from time to time; and

(6) To review, monitor and facilitate the training and continuous professional development of the Directors and senior management in relation to corporate governance.

During 2013, the Board discharged its duties by reviewing and monitoring the Company's compliance with the CG Code and other legal and regulatory requirements, reviewing and updating the AcrossAsia Group Internal Notification Policy and Procedures for notifiable transactions, connected transactions and inside information and the Code of Conduct regarding Securities Transactions by Directors, reviewing, facilitating and monitoring the training and continuous professional development of the Directors and reviewing the disclosures in this Corporate Governance Report.

REMUNERATION COMMITTEE

The Board established the Remuneration Committee which currently comprises two independent non-executive Directors, namely, Mr. Cheok (being the Chairman of the Remuneration Committee) and Dr. Lim. To comply with the CG Code, the written terms of reference of the Remuneration Committee are available on the Company's website and the GEM website.

The primary duties of the Remuneration Committee are, inter alia, to formulate and recommend remuneration policy to the Board, to make recommendations to the Board on remuneration matters of the Directors and the senior management and to administer any share option plan or scheme of the Company. The Remuneration Committee makes recommendations to the Board on the remuneration packages of the executive Director and the senior management.

The Remuneration Committee has met once during 2013 and the attendance of the members is as follows:

Name of Member	Number of Attendance	Percentage of Attendance
Mr. Cheok *(Chairman of the Remuneration Committee)*	1/1	100%
Dr. Lim	1/1	100%

During 2013, the Remuneration Committee reviewed the fees payable to the Chairman/Directors and Board Committees' Chairmen/members and the relevant matters were considered by the Board and/or administered in accordance with previously signed service agreements, letters of appointment and/or set policies.

NOMINATION COMMITTEE

The Board established the Nomination Committee on 22nd March 2012 with written terms of reference being available on the Company's website and the GEM website. The Nomination Committee currently comprises two independent non-executive Directors, namely, Mr. Cheok (being the Chairman of the Nomination Committee) and Dr. Lim.

The primary duties of the Nomination Committee are, inter alia, to review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, to make recommendations to the Board on nominations, selection, appointment and re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive Officer, and to assess the independence of independent non-executive Directors.

The Nomination Committee has met once during 2013 and the attendance of the members is as follows:

Name of Member	Number of Attendance	Percentage of Attendance
Mr. Cheok *(Chairman of the Nomination Committee)*	1/1	100%
Dr. Lim	1/1	100%

AUDIT COMMITTEE

The Board established 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. To comply with the CG Code, the written terms of reference of the Audit Committee are available on the Company's website and the GEM website. The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. Cheok (being the Chairman of the Audit Committee), Dr. Lim and Mr. Law.

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 4 times during 2013 and the attendance of the members is as follows:

Name of Member	Number of Attendance	Percentage of Attendance
Mr. Cheok *(Chairman of the Audit Committee)*	4/4	100%
Dr. Lim	4/4	100%
Mr. Law	4/4	100%

During 2013, the Audit Committee discharged its duties by reviewing the financial matters, quarterly, half-year and annual financial reports and financial statements as well as audit matters of AcrossAsia Group, discussing with executive Director, management and the Auditor of the Company, and making recommendations to the Board.

INTERNAL CONTROLS

The Audit Committee is responsible for the Company's system of internal control and for reviewing the effectiveness of the system. The Audit Committee enquires of the management and AcrossAsia Group's audit officers and/or the external auditor about significant risks or exposures facing AcrossAsia Group.

Based on identified risks, the Audit Committee assesses the effectiveness of the system of internal controls including activities and actions, supported by policies and procedures aimed to reduce these risks. The organisation structure and delegations of authority and responsibility to individual employees are key aspects of the internal control system. Internal controls are the process designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

However, internal controls can provide only reasonable assurance regarding the achievement of these objectives. As the Company operates as a holding company, the monitoring of internal control system also extends to those of its subsidiaries. To monitor the effectiveness of the internal control system, the Audit Committee and audit officers review the adequacy of AcrossAsia Group's internal controls and understand how these controls will be tested during the year.

The audit officers prepare long term strategic audit plans, providing for the review of significant operations based on assessment of risks pertaining to the achievement of AcrossAsia Group's objectives with more weight given to areas with higher risks. The internal control system-based audit approach used by the audit officers includes documentation of systems, identification and evaluation of controls and the reporting of recommendations for internal controls improvements.

The Audit Committee reviews and reports on the monitoring and testing of AcrossAsia Group's internal controls to the Board and updates any required changes to internal controls.

The Board assesses the effectiveness of internal controls by considering reviews conducted by internal and external auditors as well as those by the Audit Committee and senior management.

The period of the review of the system of internal controls covers 2013 and the Board is of the view that save as noted below, there is no significant area of concern which may suggest material deficiencies in the effectiveness of AcrossAsia Group's internal control system.

The Board also reviews with the management and the external auditor the Company's Annual Report and resolves any serious difficulties or disputes encountered during the audit including the need to introduce additional internal controls.

PREPARATION OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of AcrossAsia Group for 2013 (the "Financial Statements") and the Auditor of the Company also sets out its reporting responsibilities on the Financial Statements in its Independent Auditor's Report in the Annual Report.

AcrossAsia Group incurred a loss attributable to owners of the Company of approximately HK$158,682,000 for the year ended 31st December 2013 and had net current liabilities and net liabilities attributable to owners of the Company of approximately HK$482,319,000 and HK$60,519,000 respectively as at 31st December 2013.

The Auditor has issued an adverse opinion as it is of the view that pursuant to International Financial Reporting Standard 10 "Consolidated Financial Statements", the Company has lost control over First Media upon the appointment of the Receivers in Indonesia on 5th March 2013 and accordingly, the assets and liabilities of First Media and its subsidiaries (collectively referred to as "First Media Group") should have been deconsolidated from the date control of First Media Group ceased on 5th March 2013. In spite of the above, the consolidated financial statements of the Group for the year ended 31st December 2013 include the financial position of First Media Group as at 31st December 2013 and the results of First Media Group for the year ended 31st December 2013. This is because the Board of Directors is of the view that pending the final determination of all litigations in Hong Kong and Indonesia, it would be appropriate to continue to prepare the Company's financial statements on a consolidated basis.

In addition, the Company had net current liabilities and capital deficiency as at 31st December 2013. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

AUDITOR'S REMUNERATION

The remuneration of the audit services rendered by the Auditor of the Company was mutually agreed in view of the scope of services in the sum of HK$1,292,658. During 2013, the Auditor of the Company also provided non-audit services in the sum of HK$530,000.

SHAREHOLDERS' RIGHTS

Shareholders to convene extraordinary general meeting and put forward proposals

Pursuant to the Articles, any two or more Shareholders, or any one Shareholder which is a recognised clearing house (or its nominee), holding not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company, shall have the right, by written requisition, to put forward proposals and request for convening of an extraordinary general meeting of the Company ("EGM"). Subject to the Articles, the GEM Listing Rules and other applicable laws and regulations, the procedures for Shareholders to convene and put forward proposals at an EGM are as follows:

(1) All the requisitionist(s) should sign a written requisition stating the objects of the meeting to be convened, and deposit the same at the principal place of business of the Company in Hong Kong.

(2) The requisition will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the requisition is proper and in order, the Company Secretary will ask the Board to convene an EGM by serving sufficient notice to all the registered Shareholders in accordance with the requirements set out in the GEM Listing Rules and the Articles.

(3) In the event that the requisition has been verified as not in order, the requisition(s) will be advised of this outcome and accordingly, an EGM will not be convened as requested.

(4) If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the EGM, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene an EGM in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any EGM so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Shareholders to propose a person for election as a Director

The procedures for Shareholders to propose a person for elections as a Director are set out in (i) the Articles available on the Company's website and the GEM website; and (ii) the guidelines entitled "Procedures for Shareholders to Propose a Person for Election as a Director" on the Company's website.

Shareholders' enquiries to the Board

Shareholders may at any time send their written enquiries about the Company to the Board by addressing to the Company Secretary at the principal place of business of the Company in Hong Kong.

COMMUNICATION WITH SHAREHOLDERS

During 2012, the Board adopted the Shareholders' Communication Policy, aiming at providing the Shareholders with access to information about the Company in order to enable them to exercise their rights and to communicate with the Company.

The general meetings of the Company provide direct and effective channels for communication between the Shareholders and the Board.

The rights of Shareholders and the procedure for demanding a poll on resolutions at general meetings are contained in the Company's Articles. Pursuant to the GEM Listing Rules, any vote of Shareholders at a general meeting must be taken by poll, except where the chairman thereof, in good faith, decides to allow a resolution which relates purely to procedural or administrative matter to be voted on by a show of hands. In addition, an announcement on the poll vote results will be made by the Company following the relevant general meeting.

The Annual General Meeting for 2013 (the "AGM 2013") was held on 9th May 2013. The attendance of the Directors is as follows:

Name of Director	Number of Attendance	Percentage of Attendance
Mr. Cheok	1/1	100%
Dr. Lim	1/1	100%
Mr. Law	1/1	100%
Mr. Ang	1/1	100%

INVESTOR RELATIONS

Pursuant to Rule 17.102 of the GEM Listing Rules, the Company has published on the respective websites of the Stock Exchange and the Company its memorandum of association and Articles of Association. During the Year, no amendments were made to the constitutional documents of the Company.

The Directors are pleased to present their report together with the Financial Statements.

PRINCIPAL ACTIVITIES

AcrossAsia Group is engaged principally in the provision of cable TV, broadband network, broadband Internet access and the 4G service.

AcrossAsia Group's business segment is set out in Note 7 to the Financial Statements.

CUSTOMERS AND SUPPLIERS

For 2013, the five largest customers of AcrossAsia Group accounted for approximately 4.95% of AcrossAsia Group's total turnover (2012: 7.29%), while the five largest suppliers of AcrossAsia Group accounted for approximately 30.11% (2012: 47.24%) of AcrossAsia Group's total purchases. The largest customer of AcrossAsia Group accounted for 1.62% (2012: 2.48%) of AcrossAsia Group's total turnover while the largest supplier accounted for 8.17% (2012: 13.34%) of AcrossAsia Group's total purchases.

None of the Directors, their associates (as defined under the GEM Listing Rules) or any Shareholders (which, to the knowledge of the Directors, owned 5% or more of the Company's share capital) had a beneficial interest in the five largest customers and suppliers of AcrossAsia Group.

RESULTS AND APPROPRIATIONS

Details of AcrossAsia Group's results for 2013 are set out in the Consolidated Statement of Profit or Loss on page 26 of the Annual Report.

The Directors do not recommend the payment of a final dividend in respect of 2013.

PENSION COSTS

Particulars of pension costs for 2013 are set out in Note 12 to the Financial Statements.

SHARE CAPITAL

Details of share capital are set out in Note 29 to the Financial Statements.

RESERVES

Movements in reserves and accumulated losses of AcrossAsia Group during 2013 are set out in the Consolidated Statement of Changes in Equity on page 31 of the Annual Report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During 2013, there was no purchase, sale or redemption of shares of the Company by the Company or any of its subsidiaries.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles and no statutory provisions for the pre-emptive rights under the laws of the Cayman Islands.

REPORT OF THE DIRECTORS

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in Note 17 to the Financial Statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment during 2013 are set out in Note 16 to the Financial Statements.

INTEREST-BEARING BORROWINGS, NOTES PAYABLE AND BOND PAYABLE

Particulars of interest-bearing borrowings, notes payable and bond payable as at 31st December 2013 are set out in Notes 32, 33 and 34 respectively to the Financial Statements.

RELATED PARTY TRANSACTIONS

The related party transactions are set out in Note 41 to the Financial Statements.

DIRECTORS

The Directors who held office during 2013 and up to the date of this report were:

Executive Director
Mr. Vicente Binalhay ANG

Independent non-executive Directors
Mr. Albert Saychuan CHEOK
Dr. Boh Soon LIM
Mr. Thomas Yee Man LAW

In accordance with Article 116 of the Articles, Mr. Cheok and Mr. Ang will retire by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

The term of office of Mr. Cheok was extended for two years from 22nd February 2014.

The term of office of Dr. Lim was extended for two years from 2nd May 2014.

The term of office of Mr. Ang was extended for two years from 8th May 2014.

The term of office of Mr. Law was extended for two years from 28th May 2014.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in Note 9 to the Financial Statements, no contracts of significance in relation to AcrossAsia Group's business to which the Company or any of its subsidiaries was a party and in which any of the Company's Directors or members of its management had a material interest, whether directly or indirectly, subsisted at the end of 2013 or at any time during 2013.

DISCLOSURE OF INTERESTS IN SECURITIES

Directors and Chief Executive

As at 31st December 2013, 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. 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 the 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 December 2013, 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%
Cyport Limited	3,169,094,788	62.57%
Lippo Cayman Limited ("Lippo Cayman")	3,669,576,788	72.46%
Dr. Mochtar RIADY ("Dr. Riady")	3,669,576,788	72.46%
Madam Lidya SURYAWATY ("Madam Suryawaty")	3,669,576,788	72.46%

Notes:

1. *Lippo Cayman is the wholly-owned subsidiary of Lanius Limited. Lanius Limited is the trustee of a discretionary trust, which was founded by Dr. Riady who does not have any interest in the shares of Lanius Limited. The beneficiaries of the trust include his family members of Dr. Riady. Dr. Riady and his wife, Madam Suryawaty, are taken to be interested in the Shares that Lanius Limited is interested under the provisions of the SFO.*

2. *Lippo Cayman holds in aggregate 3,669,576,788 Shares, representing approximately 72.46% issued share capital of the Company, through its wholly-owned subsidiaries.*

3. *Cyport Limited has direct beneficial interest in 2,669,094,788 Shares.*

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 December 2013, 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.

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 2013. There was a chance that such businesses might have competed with AcrossAsia Group during 2013.

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.

AUDITOR

The Financial Statements have been audited by RSM Nelson Wheeler. A resolution for the re-appointment of RSM Nelson Wheeler as the auditor of the Company will be proposed at the forthcoming annual general meeting.

The Auditor has issued an adverse opinion on the basis that it believes that AcrossAsia has ceded control over First Media following the appointment of Receivers in Indonesia and as a consequence the Auditor is of the opinion, pursuant to International Financial Reporting Standard 10 that the financial statements of First Media should not be consolidated with the Company.

As explained in Note 4(b) to the Financial Statements, the Board of Directors however considers that it would be appropriate to continue to prepare the Company's financial statements on a consolidated basis pending the final determination of all litigations in Hong Kong and Indonesia.

The Board of Directors has been advised by its Indonesian lawyer that as the Company is still the registered owner of 55.1% shares in First Media, the Company is therefore the parent company and First Media remains a subsidiary of the Company. The Board of Directors has taken into account that the Indonesian Bankruptcy Order is yet to be finalised and the Company is vigorously objecting against the Indonesian Bankruptcy Order. Although the Company's appeal to the Supreme Court of Indonesia against the Indonesian Bankruptcy Order was dismissed on 31st July 2013, the Company is entitled to make a final appeal by way of a petition for judicial review against the decision of the Supreme Court of Indonesia (the "Judicial Review") which is pending for filing and final hearing. Based on the development of the proceedings as stated in note 43 to the consolidated financial statements and a legal opinion obtained from the Company's Indonesian lawyer, the Board of Directors of the Company is of the opinion that they have good grounds for success in the Judicial Review against the Indonesian Bankruptcy Order. Whilst the Board of Directors recognises that the appointment of the Receivers may have resulted in an apparent loss of control over First Media, the Board of Directors emphasize that until the due legal process in Indonesia has run its course, including the decision of the Judicial Review, the powers of the Receivers are unlikely to be enforced. The Board of Directors sees the present situation as one of the Company liaising with the Receivers which is far from that of being controlled by the Receivers. The due process requires waiting for the final determination of the Judicial Review. In the event that the Company's Judicial Review is successful, the Indonesian Bankruptcy Order will be set aside. Furthermore, even after the Receivers were appointed, the Company's Board of Directors has been given full access to the books and records of First Media for the purposes of preparation of the Group financial statements. In addition, in the financial statements of First Media, First Media regards the Company as its parent company and thus the relationship has not changed. The Board of Directors believes that what has clouded the control picture is a result of the Company being caught in the crossfire in the dispute between Astro Group and First Media and the litigation aftermath. The Board of Directors believes that only a consolidated basis of financial reporting will represent a true picture to shareholders of their investment in First Media through their shareholdings in the Company. The Board of Directors accordingly considers that it would still be appropriate to continue to prepare the Company's financial statements on a consolidated basis pending final determination of all litigations in Hong Kong and Indonesia.

On behalf of the Board
Albert Saychuan CHEOK
Chairman

Hong Kong, 21st March 2014

INDEPENDENT AUDITOR'S REPORT

RSM
Audit • Tax • Advisory

TO THE SHAREHOLDERS OF
ACROSSASIA LIMITED
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of AcrossAsia Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 26 to 84, which comprise the consolidated and Company statements of financial position as at 31st December 2013, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.

Basis for adverse opinion

As stated in note 43 to the consolidated financial statements, PT First Media Tbk ("First Media"), a 55.1% owned subsidiary of the Company, brought proceedings against the Company in Indonesia to recover the debt due under a facility agreement (the "Facility Agreement") entered into between the Company and First Media on 30th June 2011. On 5th March 2013, the Indonesian Court issued a bankruptcy order (the "Indonesian Bankruptcy Order") against the Company. On the same date, the Indonesian Court appointed the Company's administrators as the receivers (the "Receivers") and curators. However, the Company's board of directors continues to have authority to act for the Company outside Indonesia.

The Company's investment in First Media is the major asset of the Company located in Indonesia. Subsequent to the appointment of the Receivers, the Company's control over First Media is vested with the Receivers. As a result, the Company is not permitted to sell, transfer, pledge, dispose of or otherwise deal in the investment in First Media without first obtaining prior approval from the Receivers. Pursuant to the Indonesian Bankruptcy Order, the current ability to direct the activities of First Media that significantly affect its returns is now subject to the direction by the Receivers.

Notwithstanding the aforesaid, the board of directors considers that the Company is still able to control First Media as the Indonesian Bankruptcy Order is yet to be finalised and the Company is vigorously objecting against the Indonesian Bankruptcy Order. Although the Company's appeal to the Supreme Court of Indonesia against the Indonesian Bankruptcy Order was dismissed on 31st July 2013, the Company is entitled to make a final appeal by way of a petition for judicial review against the decision of the Supreme Court of Indonesia (the "Judicial Review") which is pending for filing and final hearing. Based on the development of the proceedings as stated in note 43 to the consolidated financial statements and a legal opinion obtained from the Company's Indonesian lawyer, the board of directors of the Company is of the opinion that they have good grounds for the Company in its Judicial Review against the Indonesian Bankruptcy Order. In the event that the Company's Judicial Review is successful, the Indonesian Bankruptcy Order will be set aside. Furthermore, even after the Receivers were appointed, the Company's board of directors has been given full access to the books and records of First Media. In view of the above, the board of directors considers that the control over First Media has been retained despite the Indonesian Bankruptcy Order and the appointment of the Receivers.

However, based on International Financial Reporting Standard 10 "Consolidated Financial Statements", we are of the opinion that the Company has lost control over First Media upon the appointment of the Receivers on 5th March 2013. The assets and liabilities of First Media and its subsidiaries (collectively referred to as "First Media Group") should have been deconsolidated from the date control of First Media Group ceased on 5th March 2013. In spite of the above, the consolidated financial statements of the Group for the year ended 31st December 2013 include the financial position of First Media Group as at 31st December 2013 and the results of First Media Group for the year ended 31st December 2013. Had First Media Group been deconsolidated, many elements in the consolidated financial statements of the Group would have been materially affected. The effects on the consolidated financial statements of the failure to deconsolidate First Media Group have not been determined.

In addition, the Company had net current liabilities and capital deficiency of approximately HK$476,680,000 and HK$45,103,000, respectively, as at 31st December 2013. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the ultimate outcome of the proceedings in Hong Kong and Indonesia. The consolidated financial statements do not include any adjustments that would result from the possible outcome of the proceedings.

Adverse opinion

In our opinion, because of the significance of the matters as described above in the basis for adverse opinion paragraphs, the financial statements do not give a true and fair view of the state of affairs of the Group and of the Company as at 31st December 2013, and of the Group's results and cash flows for the year then ended in accordance with International Financial Reporting Standards and have not been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

RSM Nelson Wheeler
Certified Public Accountants
Hong Kong

21st March 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31st December 2013

	Note	2013 HK$'000	2012 HK$'000 (restated)
Turnover	5	**1,299,479**	1,091,166
Cost of services rendered		**(351,235)**	(317,775)
Gross profit		**948,244**	773,391
Other income	6	**20,019**	40,506
Gain on disposal of partial interest in an associate	38(b)	**165**	—
Net foreign exchange (losses)/gains		**(79,307)**	17,732
Selling and distribution costs		**(117,100)**	(103,452)
General and administrative expenses		**(790,550)**	(696,238)
Other operating expenses		**(3,448)**	—
(Loss)/profit from operations		**(21,977)**	31,939
Finance costs	8	**(70,845)**	(51,989)
Share of losses of associates		**(7,475)**	(627)
Loss before tax		**(100,297)**	(20,677)
Income tax expense	11	**(42,807)**	(6,387)
Loss for the year	12	**(143,104)**	(27,064)
Attributable to:			
Owners of the Company	13	**(158,682)**	(89,879)
Non-controlling interests		**15,578**	62,815
		(143,104)	(27,064)
Loss per share	15		
— basic (HK cents)		**(3.13)**	(1.77)
— diluted (HK cents)		**N/A**	N/A

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st December 2013

	2013 HK$'000	2012 HK$'000 (restated)
Loss for the year	**(143,104)**	(27,064)
Other comprehensive income:		
Item that will not be reclassified to profit or loss:		
Remeasurement gains/(losses) on defined benefit pension plans	**15,876**	(6,774)
Item that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**(288,806)**	(97,932)
Other comprehensive income for the year, net of tax	**(272,930)**	(104,706)
Total comprehensive income for the year	**(416,034)**	(131,770)
Attributable to:		
Owners of the Company	**(220,038)**	(132,356)
Non-controlling interests	**(195,996)**	586
	(416,034)	(131,770)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December 2013

	Note	31st December 2013 HK$'000	31st December 2012 HK$'000 (restated)	1st January 2012 HK$'000 (restated)
Non-current assets				
Property, plant and equipment	16	**1,791,850**	1,713,449	1,388,449
Investments in associates	18	**11,723**	10,202	—
Available-for-sale financial assets	19	**3,258**	4,119	4,326
Goodwill	20	**—**	3,775	—
Other intangible assets	21	**73,186**	86,350	99,778
Deferred tax assets	22	**139,638**	122,587	30,999
Non-current prepayments, deposits and receivables	23	**167,359**	249,767	225,908
		2,187,014	2,190,249	1,749,460
Current assets				
Trade receivables	24	**383,056**	86,093	85,679
Due from related companies	25	**2**	68	3,587
Prepayments, deposits and other current assets	27	**153,686**	189,762	289,704
Bank and cash balances	28	**250,886**	685,364	691,568
		787,630	961,287	1,070,538
TOTAL ASSETS		**2,974,644**	3,151,536	2,819,998

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December 2013

	Note	**31st December 2013 HK$'000**	31st December 2012 HK$'000 (restated)	1st January 2012 HK$'000 (restated)
Capital and reserves				
Share capital	29	**50,646**	50,646	50,646
Reserves	30	**(111,165)**	108,903	241,259
Equity attributable to owners of the Company		**(60,519)**	159,549	291,905
Non-controlling interests		**987,303**	1,183,108	1,182,522
Total equity		**926,784**	1,342,657	1,474,427
Non-current liabilities				
Employees' benefits obligations	31	**43,177**	56,333	40,878
Interest-bearing borrowings	32	**166,900**	165,776	61,257
Bond payable	34	**467,946**	588,280	612,210
Finance lease payables	35	**81,226**	91,525	2,509
Due to a related company	36	**18,662**	23,694	24,906
		777,911	925,608	741,760
Current liabilities				
Interest-bearing borrowings	32	**397,928**	329,108	246,293
Notes payable	33	**3,177**	4,034	4,240
Finance lease payables	35	**33,906**	29,455	689
Due to a related company	36	**4,000**	4,000	4,000
Trade payables	37	**243,086**	271,354	165,778
Receipts in advance		**299,061**	10,452	21,298
Other payables and accruals		**279,654**	170,031	118,678
Current tax payable		**9,137**	64,837	42,835
		1,269,949	883,271	603,811
Total liabilities		**2,047,860**	1,808,879	1,345,571
TOTAL EQUITY AND LIABILITIES		**2,974,644**	3,151,536	2,819,998
Net current (liabilities)/assets		**(482,319)**	78,016	466,727
Total assets less current liabilities		**1,704,695**	2,268,265	2,216,187

Albert Saychuan CHEOK
Director

Vicente Binalhay ANG
Director

STATEMENT OF FINANCIAL POSITION

As at 31st December 2013

	Note	2013 HK$'000	2012 HK$'000
Non-current assets			
Property, plant and equipment	16	**38**	—
Interests in subsidiaries	17	**430,849**	430,849
Available-for-sale financial assets	19	**67**	67
Non-current prepayments, deposits and receivables	23	**623**	475
		431,577	431,391
Current assets			
Due from related companies	25	**2**	68
Financial assets at fair value through profit or loss	26	**—**	25,486
Prepayments, deposits and other current assets	27	**8,452**	50,891
Bank and cash balances	28	**188**	359
		8,642	76,804
TOTAL ASSETS		**440,219**	508,195
Capital and reserves			
Share capital	29	**50,646**	50,646
Reserves	30(b)	**(95,749)**	(15,974)
Equity		**(45,103)**	34,672
Current liabilities			
Interest-bearing borrowings	32	**93,000**	93,000
Due to a subsidiary	17	**362,502**	369,000
Due to a related company	36	**4,000**	4,000
Other payables and accruals		**25,820**	7,523
Total liabilities		**485,322**	473,523
TOTAL EQUITY AND LIABILITIES		**440,219**	508,195
Net current liabilities		**(476,680)**	(396,719)
Total assets less current liabilities		**(45,103)**	34,672

Albert Saychuan CHEOK
Director

Vicente Binalhay ANG
Director

	Attributable to owners of the Company						
	Issued capital	**Share premium account**	**Translation reserve**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total equity**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1st January 2012, as previously reported	50,646	414,318	(37,665)	(128,754)	298,545	1,192,334	1,490,879
Effect of changes in accounting policies *(Note 2(e))*	—	—	—	(6,640)	(6,640)	(9,812)	(16,452)
At 1st January 2012, as restated	50,646	414,318	(37,665)	(135,394)	291,905	1,182,522	1,474,427
(Loss)/profit for the year	—	—	—	(89,879)	(89,879)	62,815	(27,064)
Other comprehensive income for the year	—	—	(39,581)	(2,896)	(42,477)	(62,229)	(104,706)
Total comprehensive income and changes in equity for the year	—	—	(39,581)	(92,775)	(132,356)	586	(131,770)
At 31st December 2012, as restated	50,646	414,318	(77,246)	(228,169)	159,549	1,183,108	1,342,657
At 1st January 2013, as previously reported	50,646	414,318	(77,626)	(219,047)	168,291	1,195,655	1,363,946
Effect of changes in accounting policies *(Note 2(e))*	—	—	380	(9,122)	(8,742)	(12,547)	(21,289)
At 1st January 2013, as restated	50,646	414,318	(77,246)	(228,169)	159,549	1,183,108	1,342,657
(Loss)/profit for the year	—	—	—	(158,682)	(158,682)	15,578	(143,104)
Other comprehensive income for the year	—	—	(67,529)	6,173	(61,356)	(211,574)	(272,930)
Total comprehensive income for the year	—	—	(67,529)	(152,509)	(220,038)	(195,996)	(416,034)
Deemed disposal of partial interest in a subsidiary *(Note 38(a))*	—	—	—	(30)	(30)	191	161
Changes in equity for the year	—	—	(67,529)	(152,539)	(220,068)	(195,805)	(415,873)
At 31st December 2013	50,646	414,318	(144,775)	(380,708)	(60,519)	987,303	926,784

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st December 2013

	Note	2013 HK$'000	2012 HK$'000 (restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(100,297)**	(20,677)
Adjustments for:			
Share of losses of associates		**7,475**	627
Finance costs		**70,845**	51,989
Interest income		**(18,245)**	(33,985)
Depreciation		**250,926**	203,773
Amortisation of other intangible assets		**17,268**	16,266
Impairment of goodwill		**3,448**	—
Impairment of property, plant and equipment		**3,602**	29,372
Impairment of other intangible assets		**—**	4,324
Allowance for receivables		**35,105**	42,834
Gain on disposal of property, plant and equipment		**(190)**	(6,521)
Gain on disposal of partial interest in an associate	*38(b)*	**(165)**	—
Increase in employees' benefits obligations		**14,486**	11,076
Operating profit before working capital changes		**284,258**	299,078
Increase in trade receivables		**(332,068)**	(41,372)
Decrease in amounts due from related companies		**66**	3,519
Decrease in prepayments, deposits and other current assets		**118,484**	76,524
(Decrease)/increase in trade payables		**(28,268)**	105,565
Increase/(decrease) in receipts in advance		**288,609**	(10,846)
Increase in other payables and accruals		**109,623**	44,114
Cash generated from operations		**440,704**	476,582
Income taxes paid		**(141,800)**	(77,005)
Net cash generated from operating activities		**298,904**	399,577

	Note	2013 HK$'000	2012 HK$'000 (restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		**(856,834)**	(618,114)
Purchases of other intangible assets		**(23,305)**	(11,811)
Proceeds from disposal of property, plant and equipment		**221,640**	113,809
Proceeds from disposal of partial interest in an associate	*38(b)*	**1,574**	—
Acquisition of a subsidiary		**—**	822
Acquisition of associates		**—**	(11,067)
Capital contribution to the associates		**(13,185)**	—
Interest received		**18,245**	33,985
Net cash used in investing activities		**(651,865)**	(492,376)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from deemed disposal of partial interest in a subsidiary	*38(a)*	**161**	—
Repayment of interest-bearing borrowings		**(200,411)**	(105,850)
New interest-bearing borrowings		**381,565**	308,814
Repayment of capital element of finance lease payables		**(111,943)**	(6,610)
Interest paid		**(65,470)**	(45,996)
Net cash generated from financing activities		**3,902**	150,358
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(349,059)**	57,559
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**685,364**	691,568
Effect of foreign exchange rate changes		**(85,419)**	(63,763)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**250,886**	685,364
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank and cash balances		**250,886**	685,364

1. ORGANISATION AND OPERATIONS

The Company was incorporated in the Cayman Islands on 6th March 2000 as an exempted company with limited liability under the Companies Law (1998 Revision) of the Cayman Islands. The Company's shares have been listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 13th July 2000. The address of its registered office is the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The address of its principal place of business is Room 4201, 42nd Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong.

The Company is an investment holding company. Its subsidiaries were engaged in the provision of cable TV, broadband Internet and network services. The Company and its subsidiaries are collectively referred to as "AcrossAsia Group".

In the opinion of the Directors, as at 31st December 2013, Cyport Limited, a company incorporated in the British Virgin Islands, is the immediate parent; Lippo Cayman Limited, a company incorporated in the Cayman Islands, is the ultimate parent of the Company.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, AcrossAsia Group has adopted all the new and revised International Financial Reporting Standards ("IFRSs") that are relevant to its operations and effective for its accounting year beginning on 1st January 2013. IFRSs comprise International Financial Reporting Standards ("IFRS"); International Accounting Standards ("IAS"); and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to AcrossAsia Group's accounting policies, presentation of AcrossAsia Group's financial statements and amounts reported for the current year and prior years except as stated below.

(a) Amendments to IAS 1 "Presentation of Financial Statements"

Amendments to IAS 1 titled Presentation of Items of Other Comprehensive Income introduce new terminology for statement of comprehensive income and income statement. Under the amendments to IAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements.

The amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the change. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

(b) IFRS 10 "Consolidated Financial Statements"

IFRS 10 "Consolidated Financial Statements" supersedes the requirements relating to consolidated financial statements in IAS 27 (Revised) "Consolidated and Separate Financial Statements" and SIC Interpretation 12 "Consolidation — Special Purpose Entities". IFRS 10 introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns. It requires the consolidation of an investee if the entity controls the investee on the basis of de facto circumstances.

(c) IFRS 12 "Disclosure of Interests in Other Entities"

IFRS 12 "Disclosure of Interests in Other Entities" specifies the disclosure requirements for subsidiaries, joint arrangements and associates, and introduces new disclosure requirements for unconsolidated structured entities.

The adoption of IFRS 12 only affects the disclosures relating to AcrossAsia Group's subsidiaries and associates in the consolidated financial statements.

(d) IFRS 13 "Fair Value Measurement"

IFRS 13 "Fair Value Measurement" establishes a single source of guidance for all fair value measurements required or permitted by IFRSs. It clarifies the definition of fair value as an exit price, which is defined as a price at which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date under market conditions, and enhances disclosures about fair value measurements.

The adoption of IFRS 13 only affects disclosures on fair value measurements in the consolidated financial statements.

(e) IAS 19 (as revised in 2011) "Employee Benefits"

IAS 19 (as revised in 2011) changes the accounting for defined benefit obligations and plan assets. It requires the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminates the 'corridor approach' permitted under the previous version of IAS 19 and accelerates the recognition of past service costs. It requires all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus.

IAS 19 (as revised in 2011) splits the changes in defined benefit obligations and plan assets into three components:

(i) Service cost — recognised in profit or loss and includes current and past service cost as well as gains or losses on settlements.

(ii) Net interest — recognised in profit or loss and calculated by applying the discount rate at the beginning of the reporting period to the net defined benefit liability or asset at the beginning of each reporting period.

(iii) Remeasurement — recognised in other comprehensive income and comprises actuarial gains and losses on the defined benefit obligation, the excess of the actual return on plan assets over the change in plan assets due to the passage of time and the changes, if any, due to the impact of the asset ceiling.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

(e) IAS 19 (as revised in 2011) "Employee Benefits" (Continued)

As a result, the profit or loss will no longer include an expected return on plan assets; instead, imputed finance income is calculated on the plan assets and is recognised as part of the net interest cost in profit or loss. Any actual return above or below the imputed finance income on plan assets is recognised as part of remeasurement in other comprehensive income.

IAS 19 (as revised in 2011) has been applied retrospectively with certain exceptions. The adoption of IAS 19 (as revised in 2011) resulted in changes in the consolidated amounts reported in the financial statements as follows:

	31st December 2013	31st December 2012	1st January 2012
	HK$'000	*HK$'000*	*HK$'000*
At 31st December 2013:			
Increase in employees' benefits obligations	**2,726**	21,289	16,452
Increase in accumulated losses	**(2,509)**	(9,122)	(6,640)
Decrease in translation reserve	**1,291**	380	—
Decrease in non-controlling interests	**(1,508)**	(12,547)	(9,812)
For the year ended 31st December 2013:			
Decrease in administrative expenses and in loss for the year	**504**	1,005	N/A
Increase/(decrease) in total comprehensive income for the year	**18,563**	(4,837)	N/A
Decrease in loss per share (cent)	**0.01**	0.01	N/A

AcrossAsia Group has not applied the new IFRSs that have been issued but are not yet effective. AcrossAsia Group has commenced an assessment of the impact of these new IFRSs but is not yet in a position to state whether these new IFRSs would have a material impact on its results of operations and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with IFRSs and the applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments which are carried at their fair values.

The preparation of financial statements in conformity with IFRSs requires the use of certain key assumptions and estimates. It also requires the Directors to exercise their judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements, are disclosed in Note 4 to the financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31st December. Subsidiaries are entities over which AcrossAsia Group has control. AcrossAsia Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. AcrossAsia Group has power over an entity when AcrossAsia Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, AcrossAsia Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to AcrossAsia Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by AcrossAsia Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

In the Company's statement of financial position the investments in subsidiaries are stated at cost less allowance for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, available-for-sale investment), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy (t) below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

(c) Associates

Associates are entities over which AcrossAsia Group has significant influence. Significant influence is the power to participate in the financial and operating policies of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether AcrossAsia Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over AcrossAsia Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of AcrossAsia Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Associates (Continued)

AcrossAsia Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When AcrossAsia Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, AcrossAsia Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, AcrossAsia Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) AcrossAsia Group's share of the net assets of that associate plus any remaining goodwill relating to that associate and any related accumulated translation reserve. If an investment in an associate becomes an investment in a joint venture, AcrossAsia Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between AcrossAsia Group and its associates are eliminated to the extent of AcrossAsia Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by AcrossAsia Group.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of AcrossAsia Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Foreign currency translation (Continued)

(iii) Translation on consolidation

The results and financial position of all AcrossAsia Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

— assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

— income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

— all resulting exchange differences are recognised in the translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the translation reserve. When a foreign operation is sold, such exchange differences are recognised in the consolidated profit or loss as part of the profit or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to AcrossAsia Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Land use rights and buildings	7%
Building renovations and leasehold improvements	25%
Office furniture, fixtures and equipment	20% to 25%
Distribution network	7%
Equipment for rent	14% to 25%
Vehicles	20% to 25%

The depreciation policy of construction in progress is set out in (f) below.

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Property, plant and equipment (Continued)

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

(f) Construction in progress

Construction in progress consists mainly of distribution network under construction. Expenditures relating to the construction, including direct costs of construction and interest and other ancillary financing costs incurred on funds borrowed to finance the construction, if any, during the period of construction are capitalised as part of the costs of construction in progress. Capitalisation of interest and other ancillary financing costs cease upon completion or at the end of the prematurity period of a distribution network. The accumulated costs are reclassified to the appropriate category of property, plant and equipment when completed and ready for use or at the end of the prematurity period. Depreciation begins when the relevant assets are available for use.

(g) Leases

(i) Operating leases

Leases that do not substantially transfer to AcrossAsia Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

(ii) Finance leases

Leases that substantially transfer to AcrossAsia Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the statement of financial position as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets.

(h) Intangible assets other than goodwill

Intangible assets other than goodwill are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives as follows:

Wireless broadband licence	10 years
Application software licences	4 years
TV channel brand name	5 years

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when AcrossAsia Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; AcrossAsia Group transfers substantially all the risks and rewards of ownership of the assets; or AcrossAsia Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

(j) Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets at fair value through profit or loss.

Investments are classified as either financial assets at fair value through profit or loss or available-for-sale financial assets.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either investments classified as held for trading or designated as at fair value through profit or loss upon initial recognition. These investments are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in profit or loss.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets not classified as trade and other receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in other comprehensive income, until the investments are disposed of or there is objective evidence that the investments are impaired, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. Interest calculated using the effective interest method is recognised in profit or loss.

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale financial assets are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale financial assets are subsequently reversed and recognised in profit or loss if an increase in the fair value of the instruments can be objectively related to an event occurring after the recognition of the impairment loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Investments (Continued)

(ii) Available-for-sale financial assets (Continued)

The unlisted equity securities which do not have a quoted market price in an active market and whose fair values cannot be reliably measured are stated at cost less impairment losses.

(k) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that AcrossAsia Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

(l) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of AcrossAsia Group's cash management are also included as a component of cash and cash equivalents.

(m) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRSs. An equity instrument is any contract that evidences a residual interest in the assets of AcrossAsia Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below:

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless AcrossAsia Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Financial liabilities and equity instruments (Continued)

(ii) Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(n) Derivative financial instruments

Derivatives are initially recognised and subsequently measured at fair value.

Changes in the fair value of derivatives that do not qualify for hedge accounting are recognised in profit or loss as they arise.

(o) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to AcrossAsia Group and the amount of revenue can be measured reliably, on the following basis:

(i) media sales, when the advertisement is placed in the channel;

(ii) subscription fees for cable television programmes, on the time apportionment basis for subscription packages or upon rendering of programmes for pay-per-view programmes;

(iii) converter and fixed line broadband rental income, on a time apportionment basis;

(iv) income from installation, when the installation services have been completed;

(v) cable television membership joining fees, upon commencement of programme delivery;

(vi) subscription fees for fast speed broadband Internet, upon rendering of the access to the Internet;

(vii) revenue from data communication services, at the time the connection takes place;

(viii) asset leasing, on a time apportionment basis;

(ix) network support service fee, when the service is rendered;

(x) interest income, on a time proportionment basis taking into account the principal outstanding and at the effective interest rate applicable; and

(xi) dividend income, when the shareholders' right to receive payment has been established.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. If there is no deep market in such bonds, the market rates on government bonds are used.

Remeasurements of the net defined benefit liability which represent actuarial gains and losses are recognised in other comprehensive income in the period in which they arise and will not be reclassified to profit or loss. Service costs and net interest on the net defined benefit liability are recognised immediately in profit or loss.

Net interest on the net defined benefit liability is determined by multiplying the net defined benefit liability by the discount rate used to measure defined benefit obligation at the start of the annual reporting period, taking account of any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

The Company operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Company's contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of HK$1,000 (before 1 June 2012)/HK$1,250 (on or after 1 June 2012) per employee and vest fully with employees when contributed into the MPF Scheme.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when AcrossAsia Group can no longer withdraw the offer of those benefits and when AcrossAsia Group recognises restructuring costs and involves the payment of termination benefits.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of AcrossAsia Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(r) Taxation

Income tax expense represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. AcrossAsia Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where AcrossAsia Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of each reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Taxation (Continued)

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which AcrossAsia Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and AcrossAsia Group intends to settle its current tax assets and liabilities on a net basis.

(s) Related parties

A related party is a person or entity that is related to AcrossAsia Group.

(A) A person or a close member of that person's family is related to AcrossAsia Group if that person:

(i) has control or joint control over AcrossAsia Group;

(ii) has significant influence over AcrossAsia Group; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company.

(B) An entity is related to AcrossAsia Group if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either AcrossAsia Group or an entity related to AcrossAsia Group. If AcrossAsia Group is itself such a plan, the sponsoring employers are also related to AcrossAsia Group.

(vi) The entity is controlled or jointly controlled by a person identified in (A).

(vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Impairment of assets

At the end of each reporting period, AcrossAsia Group reviews the carrying amounts of its tangible and other intangible assets except goodwill, deferred tax assets, investments and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, AcrossAsia Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(u) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when AcrossAsia Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(v) Events after the reporting period

Events after the reporting period that provide additional information about AcrossAsia Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

(a) Going concern basis

These financial statements have been prepared on a going concern basis, the validity of which depends upon the ultimate outcome of the garnishee and related proceedings. Details are explained in note 43 to the financial statements.

(b) Basis of preparation of consolidated financial statements

As indicated in Note 3(a), the financial statements have been prepared on the consolidated basis.

PT First Media Tbk ("First Media"), a 55.1% owned subsidiary of the Company, brought proceedings against the Company in Indonesia to recover the debt due under a facility agreement.

On 5th March 2013, the Indonesian Court issued a bankruptcy order (the "Indonesian Bankruptcy Order") against the Company. On the same date, the Indonesian Court appointed the Company's administrators as the receivers (the "Receivers") and curators. Details are explained in note 43 to the financial statements. However, the Company's Board of Directors continues to have authority to act for the Company outside Indonesia.

The Company's investment in First Media is the major asset of the Company located in Indonesia. Subsequent to the appointment of the Receivers, the Company's control over First Media is vested with the Receivers. As a result, the Company is not permitted to sell, transfer, pledge, dispose of or otherwise deal in the investment in First Media without first obtaining prior approval from the Receivers. Pursuant to the Indonesian Bankruptcy Order, the current ability to direct the activities of First Media that significantly affect its return is now subject to the direction by the Receivers.

The Board of Directors has been advised by its Indonesian lawyer that as the Company is still the registered owner of 55.1% shares in First Media, the Company is therefore the parent company and First Media remains a subsidiary of the Company. The Board of Directors has taken into account that the Indonesian Bankruptcy Order is yet to be finalised and the Company is vigorously objecting against the Indonesian Bankruptcy Order. Although the Company's appeal to the Supreme Court of Indonesia against the Indonesian Bankruptcy Order was dismissed on 31st July 2013, the Company is entitled to make a final appeal by way of a petition for judicial review against the decision of the Supreme Court of Indonesia (the "Judicial Review") which is pending for filing and final hearing. Based on the development of the proceedings as stated in note 43 to the consolidated financial statements and a legal opinion obtained from the Company's Indonesian lawyer, the Board of Directors of the Company is of the opinion that they have good grounds for success in the Judicial Review against the Indonesian Bankruptcy Order.

Whilst the Board of Directors recognises that the appointment of the Receivers may have resulted in an apparent loss of control over First Media, the Board of Directors emphasize that until the due legal process in Indonesia has run its course, including the decision of the Judicial Review, the powers of the Receivers are unlikely to be enforced.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Critical judgements in applying accounting policies (Continued)

(b) Basis of preparation of consolidated financial statements (Continued)

The Board of Directors sees the present situation as one of the Company liaising with the Receivers which is far from that of being controlled by the Receivers. The due process requires waiting for the final determination of the Judicial Review. In the event that the Company's Judicial Review is successful, the Indonesian Bankruptcy Order will be set aside. Furthermore, even after the Receivers were appointed, the Company's Board of Directors has been given full access to the books and records of First Media for the purposes of preparation of the Group financial statements.

In addition, in the financial statements of First Media, First Media regards the Company as its parent company and thus the relationship has not changed. The Board of Directors believes that what has clouded the control picture is a result of the Company being caught in the crossfire in the dispute between Astro Group (as defined in note 43 to the financial statements) and First Media and the litigation aftermath. The Board of Directors believes that only a consolidated basis of financial reporting will represent a true picture to shareholders of their investment in First Media through their shareholdings in the Company.

In view of the above, the Board of Directors considers that it would still be appropriate to continue to prepare the Company's financial statements on a consolidated basis pending final determination of all litigations in Hong Kong and Indonesia.

(c) Land and buildings

Under the relevant rules and regulations of Indonesia, AcrossAsia Group can apply for the renewal of its land use rights upon the expiry. Accordingly the entire lease of land and buildings is classified as a finance lease and included under property, plant and equipment.

(d) Available-for-sale financial assets

AcrossAsia Group's investments in unlisted securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost less any impairment losses.

(e) Investments in subsidiaries of the Company

In the Company's statement of financial position, the investment in listed equity securities of First Media is stated at cost totalling approximately HK$430,849,000 (2012: HK$430,849,000) as at 31st December 2013. The market value of the investment determined based on quoted market price is approximately HK$353,605,000 (2012: HK$464,437,000) as at 31st December 2013. By considering a variety of sources, including the latest published financial information of First Media, the Directors consider no impairment allowance is required.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Property, plant and equipment and depreciation

AcrossAsia Group determines the estimated useful lives, residual values and related depreciation charges for AcrossAsia Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. AcrossAsia Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(b) Income taxes

AcrossAsia Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. TURNOVER

	2013	2012
	HK$'000	*HK$'000*
Subscription fees for cable television	**409,321**	337,712
Subscription fees for fast speed broadband Internet	**563,230**	499,630
Data communication services	**137,675**	117,519
Media sales	**69,860**	60,619
Wireless broadband services	**39,577**	9,680
Others	**79,816**	66,006
	1,299,479	1,091,166

6. OTHER INCOME

	2013	2012
	HK$'000	*HK$'000*
Interest income	**18,245**	33,985
Gain on disposal of property, plant and equipment	**190**	6,521
Others	**1,584**	—
	20,019	40,506

7. SEGMENT INFORMATION

No segment information is presented for the years ended 31st December 2013 and 2012 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 years ended 31st December 2013 and 2012, and accordingly, no major customers information is presented.

8. FINANCE COSTS

	2013	2012
	HK$'000	*HK$'000*
Interest on:		
Bank loans and overdrafts	**22,639**	21,461
Notes payable wholly repayable within five years	**445**	370
Other borrowings wholly repayable within five years	**15,872**	9,604
Finance lease charges	**26,514**	14,561
Bond payable	**5,375**	5,993
	70,845	51,989

9. DIRECTORS' REMUNERATION

The remuneration paid and payable to each Director is as follows:

	Fees		Salaries, allowances and benefits in kind		Total	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Executive Directors						
Mr. Vicente Binalhay ANG	**10**	10	**558**	372	**568**	382
Mr. Marshall Wallace COOPER (1)	**—**	—	**—**	872	**—**	872
Independent non-executive Directors						
Mr. Albert Saychuan CHEOK	**540**	540	**—**	—	**540**	540
Dr. Boh Soon LIM	**280**	280	**—**	—	**280**	280
Mr. Thomas Yee Man LAW	**240**	240	**—**	—	**240**	240
	1,070	1,070	**558**	1,244	**1,628**	2,314

Note:

(1) Resigned on 8th May 2012

There was no arrangement under which a Director waived or agreed to waive any remuneration during the year ended 31st December 2013 (2012: Nil).

During the year ended 31st December 2013, no remuneration was paid by AcrossAsia Group to any of the Directors as an inducement to join or upon joining AcrossAsia Group or as compensation for loss of office (2012: Nil).

10. FIVE HIGHEST PAID EMPLOYEES

The remuneration of the 5 (2012: 5) highest paid employees are set out below.

	2013	2012
	HK$'000	*HK$'000*
Salaries, allowances and benefits in kind	**7,566**	11,977

10. FIVE HIGHEST PAID EMPLOYEES (Continued)

The remuneration fell within the following bands:

	Number of employees	
	2013	2012
Nil to HK$1,000,000	**2**	—
HK$1,000,001 to HK$1,500,000	**—**	1
HK$1,500,001 to HK$2,000,000	**2**	1
HK$2,500,001 to HK$3,000,000	**1**	2
HK$3,000,001 to HK$3,500,000	**—**	1
	5	5

During the year ended 31st December 2013, no remuneration was paid by AcrossAsia Group to any of the highest paid employees as an inducement to join or upon joining AcrossAsia Group or as compensation for loss of office (2012: Nil).

11. INCOME TAX EXPENSE

	2013	2012
	HK$'000	*HK$'000*
Current tax — Overseas		
Provision for the year	**90,246**	101,651
Underprovision in prior year	**2,822**	—
	93,068	101,651
Deferred tax *(Note 22)*	**(50,261)**	(95,264)
Income tax expense	**42,807**	6,387

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 (2012: Nil).

Taxes charge 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% (2012: 25%) of the individual entities' respective assessable profits in accordance with Indonesian income tax law.

The reconciliation between the Indonesian income tax rate and the effective tax rate is as follows:

	2013	2012
	%	%
		(restated)
Indonesian income tax rate	**25**	25
Deferred tax not recognised	**(21)**	16
Non-deductible items	**(44)**	(72)
Underprovision in prior year	**(3)**	—
Effective tax rate	**(43)**	(31)

12. LOSS FOR THE YEAR

AcrossAsia Group's loss for the year is stated after charging the following:

	2013 HK$'000	2012 HK$'000 (restated)
Depreciation of property, plant and equipment	250,926	203,773
Amortisation of other intangible assets*	17,268	16,266
Impairment of goodwill#	3,448	—
Impairment of property, plant and equipment*	3,602	29,372
Impairment of other intangible assets*	—	4,324
Staff costs, including Directors' remuneration:		
Salaries, allowances and benefits in kind	241,972	209,460
Retirement benefit scheme contributions (defined contribution schemes)	133	161
Provision for employees' benefits	14,903	16,784
	257,008	226,405
Operating lease charges for land and buildings	15,527	17,494
Allowance for receivables	35,105	42,834
Auditors' remuneration		
Company	700	680
Its subsidiaries	593	743
	1,293	1,423

* Included in "General and administrative expenses" on the face of the consolidated statement of profit or loss.

\# Included in "Other operating expenses" on the face of the consolidated statement of profit or loss.

13. LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

The loss for the year attributable to owners of the Company included a loss of approximately HK$79,775,000 (2012: HK$19,927,000) which has been dealt with in the financial statements of the Company.

14. DIVIDENDS

The Directors do not recommend the payment of any dividend.

15. LOSS PER SHARE

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK$158,682,000 (2012 (restated): HK$89,879,000) and 5,064,615,385 (2012: 5,064,615,385) ordinary shares in issue during the year.

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary share during the years ended 31st December 2013 and 2012.

16. PROPERTY, PLANT AND EQUIPMENT

AcrossAsia Group

	Land use rights and buildings	Building renovations and leasehold improvements	Office furniture, fixtures and equipment	Distribution network	Construction in progress	Equipment for rent	Vehicles	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost								
At 1st January 2012	112,432	25,679	245,884	1,467,643	136,365	187,811	954	2,176,768
Acquisition of a subsidiary	—	—	143	—	—	—	—	143
Additions	4,496	6,552	141,183	353,425	49,458	189,396	899	745,409
Disposals	—	(4)	(111,080)	(3,796)	(14)	(4)	—	(114,898)
Reclassification	—	(2,634)	25,577	3,946	(54,121)	27,232	—	—
Translation differences	(5,573)	(1,339)	(13,204)	(79,459)	(6,528)	(14,066)	(67)	(120,236)
At 31st December 2012 and 1st January 2013	111,355	28,254	288,503	1,741,759	125,160	390,369	1,786	2,687,186
Additions	3,688	3,630	190,873	522,202	6,272	264,269	993	991,927
Disposals	—	(1,613)	(148,025)	(474)	(154)	(90,557)	—	(240,823)
Reclassification	—	(245)	2,135	59,472	(61,861)	499	—	—
Translation differences	(24,176)	(6,143)	(67,557)	(452,880)	(18,626)	(107,774)	(521)	(677,677)
At 31st December 2013	90,867	23,883	265,929	1,870,079	50,791	456,806	2,258	2,760,613
Accumulated depreciation and impairment losses								
At 1st January 2012	9,294	18,766	104,925	542,822	—	111,687	825	788,319
Charge for the year	6,943	3,675	32,140	110,141	—	50,749	125	203,773
Impairment loss	—	—	16,313	—	—	13,059	—	29,372
Disposals	—	(1,270)	(6,094)	(247)	—	—	—	(7,611)
Reclassification	—	—	2,351	15	—	(2,366)	—	—
Translation differences	(610)	(968)	(6,093)	(25,569)	—	(6,833)	(43)	(40,116)
At 31st December 2012 and 1st January 2013	15,627	20,203	143,542	627,162	—	166,296	907	973,737
Charge for the year	6,481	3,297	30,204	133,868	—	76,654	422	250,926
Impairment loss	—	—	3,602	—	—	—	—	3,602
Disposals	—	(1,613)	(12,464)	(135)	—	(5,161)	—	(19,373)
Reclassification	(123)	123	(2,124)	2,124	—	—	—	—
Translation differences	(4,226)	(4,549)	(33,097)	(152,481)	—	(45,523)	(253)	(240,129)
At 31st December 2013	17,759	17,461	129,663	610,538	—	192,266	1,076	968,763
Carrying amount								
At 31st December 2013	73,108	6,422	136,266	1,259,541	50,791	264,540	1,182	1,791,850
At 31st December 2012	95,728	8,051	144,961	1,114,597	125,160	224,073	879	1,713,449

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

AcrossAsia Group carried out a review of the recoverable amount of its property, plant and equipment in 2012 and 2013, having regard to the modification of the technology of the wireless broadband services and the obsolescence of the office equipment. The review led to the recognition of an impairment loss of approximately HK$3,602,000 (2012: HK$29,372,000) in relation to certain technically obsolete equipment, that has been recognised in profit or loss.

At 31st December 2013 the carrying amount of property, plant and equipment held by AcrossAsia Group under finance leases amounted to approximately HK$107,625,000 (2012: HK$93,409,000).

At 31st December 2013 the carrying amount of property, plant and equipment pledged as security for AcrossAsia Group's bank and other loans amounted to approximately HK$210,909,000 (2012: HK$340,014,000).

AcrossAsia Group's land use rights and buildings located in Indonesia at their carrying amounts are analysed as follows:

	2013 ***HK$'000***	2012 *HK$'000*
Medium term leases	**70,738**	92,719
Short term leases	**2,370**	3,009
	73,108	95,728

Under the relevant rules and regulations in Indonesia, AcrossAsia Group can apply for the renewal of its land use rights upon their expiry.

Company	**Office furniture, fixtures and equipment** *HK$'000*
Cost	
At 1st January 2012, 31st December 2012 and 1st January 2013	614
Additions	46
At 31st December 2013	660
Accumulated depreciation	
At 1st January 2012, 31st December 2012 and 1st January 2013	614
Charge for the year	8
At 31st December 2013	622
Carrying amount	
At 31st December 2013	38
At 31st December 2012	—

17. INTERESTS IN SUBSIDIARIES

	Company 2013 HK$'000	Company 2012 HK$'000
Listed shares, at cost	**430,849**	430,849
Unlisted shares, at cost	**9,862**	9,862
	440,711	440,711
Due from a subsidiary	**197,054**	198,921
	637,765	639,632
Less: Impairment losses	**(206,916)**	(208,783)
	430,849	430,849
Market value of listed shares	**353,605**	464,437

The amount due from a subsidiary is unsecured, interest-free and has no fixed terms of repayment but repayment is not expected to be within the next twelve months from the end of the reporting period.

	Company 2013 HK$'000	Company 2012 HK$'000
Due to a subsidiary	**362,502**	369,000

The amount due to a subsidiary, First Media, is unsecured, interest bearing at the prevailing LIBOR plus 4.75% per annum and due for settlement on 30th June 2012. First Media has commenced arbitration and litigation proceedings against the Company to recover a total amount of US$46,774,403 (equivalent to HK$362,502,000), representing the principal amount of US$44,000,000 together with accrued interest capped at US$2,774,403. Details of the arbitration and litigation proceedings are set out in Note 43 to the financial statements.

Particulars of the principal subsidiaries as at 31st December 2013 are as follows:

Name	Place of incorporation and operations	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company 2013 Direct	2013 Indirect	2012 Direct	2012 Indirect	Principal activities
First Media (a)	Indonesia	Rp871,083,953,500	**55.1**	**—**	55.1	—	Operation of broadband network and cable television
PT AsiaNet Multimedia	Indonesia	US$1,333,333	**95.0**	**—**	95.0	—	Investment holding
PT Natrindo Global Telekomunikasi	Indonesia	Rp25,000,000,000	**—**	**76.0**	—	76.0	Inactive
PT Link Net ("Link Net")	Indonesia	Rp304,264,938,400	**—**	**36.4**	—	36.4	Provider of fixed local packet-switched based network and Internet service provider
PT Tirta Mandiri Sejahtera	Indonesia	Rp5,000,000	**—**	**76.0**	—	76.0	Investment holding
PT First Media News	Indonesia	Rp7,500,000,000	**—**	**55.1**	—	55.1	Investment holding and film and video recording
PT First Media Production	Indonesia	Rp7,500,000,000	**—**	**55.1**	—	55.1	Film and video recording
PT First Media Television	Indonesia	Rp3,125,000,000	**—**	**44.1**	—	44.1	Subscription broadcasting
PT Jaring Data Interaktif	Indonesia	Rp35,000,000,000	**—**	**55.1**	—	55.1	Multimedia contents production
PT Media Sinema Indonesia ("MSI")	Indonesia	Rp3,714,122,000	**—**	**55.1**	—	55.1	Film and video recording

The above list contains the particulars of subsidiaries which principally affected the results, assets or liabilities of AcrossAsia Group.

17. INTERESTS IN SUBSIDIARIES (Continued)

Notes:

(a) First Media is listed on the Indonesian Stock Exchange.

(b) None of the subsidiaries had any loan capital in issue at any time during the year ended 31st December 2013 (2012: Nil).

The following table shows information of subsidiaries that have non-controlling interests ("NCI") material to AcrossAsia Group. The summarised financial information represents amounts before inter-company eliminations.

Name	**First Media**	
	2013	2012
Principal place of business and country of incorporation	**Indonesia**	
% of ownership interests and voting rights held by NCI	**44.9%**	44.9%
	HK$'000	*HK$'000*
At 31st December:		
Non-current assets	**2,549,365**	2,554,679
Current assets	**777,074**	917,862
Non-current liabilities	**(764,509)**	(877,158)
Current liabilities	**(1,020,073)**	(668,083)
Net assets	**1,541,857**	1,927,300
Accumulated NCI	**1,002,256**	1,201,384
Year ended 31st December:		
Revenue	**1,299,479**	1,091,166
(Loss)/profit	**(75,577)**	9,644
Total comprehensive income	**30,377**	3,802
Profit allocated to NCI	**16,230**	63,431
Dividends paid to NCI	**—**	—
Net cash generated from operating activities	**375,303**	331,731
Net cash used in investing activities	**(714,113)**	(432,764)
Net cash generated from financing activities	**845**	130,603
Net (decrease)/increase in cash and cash equivalents	**(337,965)**	29,570

18. INVESTMENTS IN ASSOCIATES

	AcrossAsia Group	
	2013	2012
	HK$'000	*HK$'000*
Unlisted investments outside Hong Kong:		
Share of net assets	**9,244**	7,025
Goodwill	**2,479**	3,177
	11,723	10,202

Details of AcrossAsia Group's associates as at 31st December 2013 are as follows:

Name	**Place of incorporation and operations**	**Nominal value of issued ordinary share capital**	**Percentage of equity attributable to the Company**				**Principal activities**
			2013		2012		
			Direct	**Indirect**	Direct	Indirect	
PT Delta Nusantara Networks	Indonesia	Rp300,000,000	**—**	**27.5%**	—	27.5%	Internet services
PT Bina Mahasiswa Indonesia	Indonesia	Rp2,750,000,000	**—**	**24.8%**	—	24.8%	Operation of students' sports activities
PT Indonesia Media Televisi ("IMT") *(Note)*	Indonesia	Rp150,000,000,000	**—**	**5.5%**	—	7.3%	Satellite television channels

Note: Although AcrossAsia Group holds less than 20% of the equity shares of IMT, AcrossAsia Group exercises significant influence by virtue of its contractual right to appoint one director to the Board of Directors and one commissioner to the Board of Commissioners of IMT.

The following table shows, in aggregate, AcrossAsia Group's share of the amounts of all individually immaterial associates that are accounted for using the equity method.

	2013	2012
	HK$'000	*HK$'000*
At 31st December:		
Carrying amounts of interests	**11,723**	10,202
Year ended 31st December:		
Loss for the year	**51,825**	3,453
Other comprehensive income	**—**	—
Total comprehensive income	**51,825**	3,453

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	AcrossAsia Group		Company	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Equity securities, at fair value				
Listed outside Hong Kong	**67**	67	**67**	67
Unlisted equity securities, at cost	**9,823**	12,473	**—**	—
Less: Impairment losses	**(6,632)**	(8,421)	**—**	—
	3,191	4,052	**—**	—
	3,258	4,119	**67**	67

The fair values of listed securities are based on current bid prices. Unlisted equity securities with carrying amount of HK$3,191,000 (2012: HK$4,052,000) was carried at cost as they do not have a quoted market price in an active market and whose fair value cannot be reliably measured.

20. GOODWILL

	AcrossAsia Group
	HK$'000
Cost	
Arising on acquisition of a subsidiary	3,968
Translation differences	(193)
At 31st December 2012	3,775
Translation differences	(819)
At 31st December 2013	2,956
Accumulated impairment losses	
Impairment loss	3,448
Translation differences	(492)
At 31st December 2013	2,956
Carrying amount	
At 31st December 2013	—
At 31st December 2012	3,775

AcrossAsia Group carried out a review of the recoverable amount of MSI in 2013 with regard to MSI's financial performance. The review led to the recognition of an impairment loss of approximately HK$3,448,000 that has been recognised in profit or loss.

21. OTHER INTANGIBLE ASSETS

AcrossAsia Group

	TV channel brand name HK$'000	Wireless broadband licence HK$'000	Application software licences HK$'000	Total HK$'000
Cost				
At 1st January 2012	7,403	108,831	12,695	128,929
Additions	—	—	11,811	11,811
Translation differences	(360)	(5,295)	(881)	(6,536)
At 31st December 2012 and 1st January 2013	7,043	103,536	23,625	134,204
Additions	—	—	23,305	23,305
Translation differences	(1,496)	(21,989)	(8,344)	(31,829)
At 31st December 2013	5,547	81,547	38,586	125,680
Accumulated amortisation and impairment				
At 1st January 2012	1,481	23,067	4,603	29,151
Amortisation for the year	1,441	10,595	4,230	16,266
Impairment loss	4,324	—	—	4,324
Translation differences	(203)	(1,363)	(321)	(1,887)
At 31st December 2012 and 1st January 2013	7,043	32,299	8,512	47,854
Amortisation for the year	—	9,513	7,755	17,268
Translation differences	(1,496)	(8,218)	(2,914)	(12,628)
At 31st December 2013	5,547	33,594	13,353	52,494
Carrying amount				
At 31st December 2013	—	47,953	25,233	73,186
At 31st December 2012	—	71,237	15,113	86,350

The remaining amortisation period of the wireless broadband licence is 5.9 (2012: 6.9) years. The weighted average remaining amortisation period of the application software licences is 3.5 (2012: 2.8) years.

22. DEFERRED TAX ASSETS

The following are the major deferred tax assets and liabilities recognised by AcrossAsia Group:

	Decelerated tax depreciation	Allowance for receivables	Tax losses	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1st January 2012	9,563	5,378	17,101	(1,043)	30,999
Credit to profit or loss for the year *(Note 11)*	3,053	11,444	75,876	4,891	95,264
Translation differences	(536)	(522)	(2,558)	(60)	(3,676)
At 31st December 2012 and 1st January 2013	12,080	16,300	90,419	3,788	122,587
(Charge)/credit to profit or loss for the year *(Note 11)*	(6,657)	(5,887)	55,107	7,698	50,261
Translation differences	(1,615)	(2,621)	(27,070)	(1,904)	(33,210)
At 31st December 2013	3,808	7,792	118,456	9,582	139,638

Deferred tax assets that are expected to realise in the next accounting year amounted to approximately HK$37,470,000 (2012: Nil).

23. NON-CURRENT PREPAYMENTS, DEPOSITS AND RECEIVABLES

	AcrossAsia Group		Company	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Rental and other deposits	**21,225**	13,070	**—**	—
Prepaid rental for communication system	**79,639**	119,499	**—**	—
Advance payments for acquisition of property, plant and equipment	**64,706**	106,579	**—**	—
Loans to employees *(Note)*	**780**	208	**—**	—
Prepaid expenses and others	**1,009**	10,411	**623**	475
	167,359	249,767	**623**	475

Note: The loans to employees are unsecured and interest-free.

24. TRADE RECEIVABLES

AcrossAsia Group's trading terms with its customers are mainly on credit. AcrossAsia Group allows an average general credit period of 60 days to its customers, except for certain well-established customers, where the terms are extended beyond 60 days.

AcrossAsia Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

24. TRADE RECEIVABLES (Continued)

The ageing analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	AcrossAsia Group	
	2013	2012
	HK$'000	*HK$'000*
1 to 30 days	**24,871**	37,813
31 to 60 days	**14,863**	15,194
61 to 90 days	**327,555**	8,357
More than 90 days	**15,767**	24,729
	383,056	86,093

As at 31st December 2013, an allowance was made for estimated irrecoverable trade receivables of approximately HK$31,682,000 (2012: HK$52,303,000).

Reconciliation of allowance for trade receivables is as follows:

	AcrossAsia Group	
	2013	2012
	HK$'000	*HK$'000*
At 1st January	**52,303**	22,187
Allowance for the year	**35,105**	42,834
Amounts written off	**(46,202)**	(10,912)
Translation differences	**(9,524)**	(1,806)
At 31st December	**31,682**	52,303

At 31st December 2013, trade receivables of approximately HK$23,136,000 (2012: HK$33,086,000) were past due but not impaired. These related to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	AcrossAsia Group	
	2013	2012
	HK$'000	*HK$'000*
61 to 90 days	**7,369**	8,357
More than 90 days	**15,767**	24,729
	23,136	33,086

The carrying amounts of AcrossAsia Group's trade receivables are denominated in the following currencies:

	2013	2012
	HK$'000	*HK$'000*
Indonesian Rupiah	**379,336**	81,473
United States dollars	**3,720**	4,620
	383,056	86,093

24. TRADE RECEIVABLES (Continued)

At 31st December 2013, trade receivables of AcrossAsia Group included receivables from certain related companies, which are directly or indirectly owned, controlled or influenced by the principal beneficial shareholder of the Company, totalling approximately HK$1,317,000 (2012: HK$3,758,000). These balances are unsecured, interest-free and are repayable principally in accordance with normal trading terms.

At 31st December 2013, trade receivables of approximately HK$88,509,000 (2012: HK$86,093,000) were pledged to banks to secure interest-bearing borrowings as set out in note 32 to the financial statements.

25. DUE FROM RELATED COMPANIES

The amounts due from related companies of AcrossAsia Group and the Company are unsecured, interest-free and have no fixed terms of repayment.

The related companies are, directly or indirectly, owned, controlled or influenced by the principal beneficial shareholder of the Company.

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Company	
	2013	2012
	HK$'000	*HK$'000*
Listed warrants of a subsidiary, at fair value	**—**	25,486

27. PREPAYMENTS, DEPOSITS AND OTHER CURRENT ASSETS

	AcrossAsia Group		Company	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Deposits	**28**	—	**28**	—
Prepaid annual licence fee	**67,122**	8,522	**—**	—
Prepaid operating expenses	**19,460**	14,391	**495**	891
Prepaid taxes	**41,347**	115,041	**—**	—
Other receivables	**25,729**	51,808	**7,929**	50,000
	153,686	189,762	**8,452**	50,891

Other receivables of AcrossAsia Group and the Company include an amount due from an independent third party of approximately HK$5,140,000 (2012: HK$50,000,000) which is unsecured, interest-free and repayable within one year.

28. BANK AND CASH BALANCES

Time deposits of approximately HK$71,844,000 (2012: HK$621,937,000) earn interest at fixed interest rates thus expose AcrossAsia Group to cash flow interest rate risk. Short term bank deposits are made for varying periods, normally with an original maturity of less than one month, depending on the immediate cash requirements of AcrossAsia Group.

At 31st December 2013, the bank and cash balances of AcrossAsia Group denominated in Indonesian Rupiah amounted to approximately HK$238,300,000 (2012: HK$683,999,000).

28. BANK AND CASH BALANCES (Continued)

At 31st December 2013, bank and cash balances of the Company of approximately HK$188,000 (2012: HK$Nil) were frozen by the receivers appointed by the Indonesian Court pursuant to a bankruptcy order made against the Company. Details of the arbitration and litigation proceedings are set out in note 43 to the financial statements.

29. SHARE CAPITAL

	2013	2012
	HK$'000	*HK$'000*
Authorised:		
1,500,000,000,000 ordinary shares of HK$0.01 each	**15,000,000**	15,000,000
Issued and fully paid:		
5,064,615,385 ordinary shares of HK$0.01 each	**50,646**	50,646

AcrossAsia Group's objectives when managing capital are to safeguard AcrossAsia Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

AcrossAsia Group reviews the capital structure frequently by considering the cost of capital and the risks associated with each class of capital. AcrossAsia Group will balance its overall capital structure through new share issues, the issue of new debts, redemption of existing debts or selling assets to reduce debts.

The only externally imposed capital requirement is that AcrossAsia Group to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares. AcrossAsia Group receives reports from the share registrars on substantial share interests showing the non-public float and it demonstrated continuing compliance with the 25% limit throughout the year.

30. RESERVES

(a) AcrossAsia Group

The amounts of AcrossAsia Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Company

	Share premium account	**Accumulated losses**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
At 1st January 2012	414,318	(410,365)	3,953
Loss for the year	—	(19,927)	(19,927)
At 31st December 2012 and 1st January 2013	414,318	(430,292)	(15,974)
Loss for the year	—	(79,775)	(79,775)
At 31st December 2013	414,318	(510,067)	(95,749)

30. RESERVES (Continued)

(c) Nature and purpose of reserves

(i) Share premium account

Under the Companies Law (1998 Revision) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 3(d) to the financial statements.

31. EMPLOYEES' BENEFITS OBLIGATIONS

AcrossAsia Group operates a defined benefit pension plan pursuant to the labour law of Indonesia that provides pension benefits for employees upon retirement, death, disability, voluntary resignation, change of ownership of AcrossAsia Group entities, redundancy and receivership. The plan is a final salary pension plan, which provides benefits to members in the form of a guaranteed level of pension payable in a lump sum. The level of benefits provided depends on members' length of service and their salary in the final years. Pensions in payment are generally updated in line with the consumer price index.

The amount of employees' benefits obligations recognised in the statement of financial position is as follows:

	AcrossAsia Group	
	2013	2012
	HK$'000	*HK$'000*
		(restated)
Present value of defined benefit obligation	**43,177**	56,333

31. EMPLOYEES' BENEFITS OBLIGATIONS (Continued)

Movements in the AcrossAsia Group's employees' benefits obligations during the year are as follows:

	2013 HK$'000	2012 HK$'000 (restated)
At 1st January	**56,333**	40,878
Amounts recognised in profit or loss:		
Current service cost	**15,045**	13,334
Past service cost and gains and losses from settlement	**(3,057)**	—
Interest expense	**2,915**	3,450
Remeasurements recognised in other comprehensive income:		
Actuarial (gains)/losses arising from changes in financial assumptions	**(15,876)**	6,774
Payments from the plan	**(417)**	(5,708)
Exchange differences	**(11,766)**	(2,395)
At 31st December	**43,177**	56,333

The principal actuarial assumptions adopted by AcrossAsia Group as at 31st December 2013 (expressed as weighted average) are as follows:

	2013	2012
Discount rate	**9.0%**	6.0%
Salary growth rate	**9.2%**	9.2%
Pension growth rate	**N/A**	N/A

Risk	Description
Changes in bond yields	A decrease in corporate bond yields will increase plan liabilities.
Inflation risk	The majority of the plans' benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities.
Life expectancy	The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

31. EMPLOYEES' BENEFITS OBLIGATIONS (Continued)

AcrossAsia Group's sensitivity analysis for each significant actuarial assumption as of the end of the reporting period based on reasonably possible changes of the relevant actuarial assumption is as follows:

	Increase/ (decrease) in rate	Increase/(decrease) on defined benefit obligation	
		2013	2012
		HK$'000	*HK$'000*
Discount rate	2%/(2%)	**(8,122)/10,948**	(11,699)/16,303
Salary growth rate	2%/(2%)	**9,944/(7,754)**	15,433/(11,604)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

AcrossAsia Group finances the funding requirements of the pension plan by internal resources and does not have any funding arrangements and funding policy that will affect future contributions.

The maturity analysis of AcrossAsia Group's undiscounted benefit payments is as follows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31st December 2013					
Pension payments	**4,196**	**1,108**	**9,894**	**589,598**	**604,796**
At 31st December 2012					
Pension payments	265	4,106	7,806	606,571	618,748

32. INTEREST-BEARING BORROWINGS

	AcrossAsia Group		Company	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Bank loans:				
Secured	**60,130**	260,589	**—**	—
Unsecured	**177,706**	102,676	**—**	93,000
	237,836	363,265	**—**	93,000
Other borrowings:				
Secured	**148,967**	41,118	**—**	—
Unsecured	**178,025**	90,501	**93,000**	—
	326,992	131,619	**93,000**	—
	564,828	494,884	**93,000**	93,000

Interest-bearing borrowings are repayable as follows:

	AcrossAsia Group		Company	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Bank loans:				
Within one year	**142,910**	197,489	**—**	93,000
In the second year	**30,889**	14,570	**—**	—
In the third to fifth years, inclusive	**64,037**	151,206	**—**	—
	237,836	363,265	**—**	93,000
Other borrowings:				
Within one year	**255,018**	131,619	**93,000**	—
In the second year	**46,142**	—	**—**	—
In the third to fifth years, inclusive	**25,832**	—	**—**	—
	326,992	131,619	**93,000**	—
	564,828	494,884	**93,000**	93,000
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(397,928)**	(329,108)	**(93,000)**	(93,000)
Amount due for settlement after 12 months	**166,900**	165,776	**—**	—

32. INTEREST-BEARING BORROWINGS (Continued)

The carrying amounts of bank loans and other borrowings are denominated in the following currencies:

	AcrossAsia Group		Company	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Bank loans:				
United States dollar	**—**	118,972	**—**	93,000
Indonesian Rupiah	**237,836**	244,293	**—**	—
	237,836	363,265	**—**	93,000
Other borrowings:				
United States dollar	**230,243**	6,337	**93,000**	—
Indonesian Rupiah	**96,749**	125,282	**—**	—
	326,992	131,619	**93,000**	—

The effective interest rates were as follows:

	AcrossAsia Group		Company	
	2013	2012	**2013**	2012
Bank loans:				
United States dollar	**—**	1.3%–5.0%	**—**	1.3%
Indonesian Rupiah	**11.0%–12.2%**	11.0%–13.0%	**—**	—
Other borrowings:				
United States dollar	**1.3%–5.0%**	4.5%	**1.3%**	—
Indonesian Rupiah	**13.8%–14.5%**	13.3%–14.5%	**—**	—

33. NOTES PAYABLE

Notes payable of AcrossAsia Group is unsecured, denominated in Indonesian Rupiah, arranged at fixed interest rate of 12% (2012: 12%) per annum and repayable within one year.

34. BOND PAYABLE

	AcrossAsia Group	
	2013	2012
	HK$'000	*HK$'000*
At beginning of year	**588,280**	612,210
Interest charged	**5,375**	5,993
Translation differences	**(125,709)**	(29,923)
At end of year	**467,946**	588,280

On 27th June 2011, First Media issued a 5-year bond instrument of Rp722,310,112,156 (equivalent to approximately HK$652,193,000) to a non-controlling shareholder of Link Net. The bond payable is secured by the shares of Link Net and interest bearing at 1% per annum.

35. FINANCE LEASE PAYABLES

AcrossAsia Group

	Minimum lease payments		Present value of minimum lease payments	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Within one year	**44,353**	39,863	**33,906**	29,455
In the second to fifth years, inclusive	**104,529**	119,487	**81,226**	91,525
	148,882	159,350	**115,132**	120,980
Less: Future finance charges	**(33,750)**	(38,370)		
Present value of lease obligations	**115,132**	120,980		
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(33,906)**	(29,455)		
Amount due for settlement after 12 months	**81,226**	91,525		

The average lease term is 3 years (2012: 4 years). At 31st December 2013, the average effective borrowing rate is 15.0% (2012: 14.5%). Interest rates are fixed at the contract dates and thus expose AcrossAsia Group to fair value interest rate risk.

All finance lease payables are denominated in Indonesian Rupiah.

AcrossAsia Group's finance lease payables are secured by the lessor's title to the leased assets.

36. DUE TO RELATED COMPANIES

The amounts due to related companies of AcrossAsia Group are unsecured, interest-free and have no fixed terms of repayment but repayment is not expected to be within the next twelve months from the end of the reporting period except for an amount of approximately HK$4,000,000 (2012: HK$4,000,000) which bears interest at Hong Kong dollar prime lending rate plus 1% per annum and is repayable within twelve months from the end of the reporting period.

The amount due to a related company of the Company is unsecured, bears interest at Hong Kong dollar prime lending rate plus 1% per annum and is repayable within twelve months from the end of the reporting period.

37. TRADE PAYABLES

The ageing analysis of trade payables, based on invoice date, is as follows:

	AcrossAsia Group	
	2013	2012
	HK$'000	*HK$'000*
1 to 30 days	**90,089**	106,769
31 to 60 days	**10,824**	44,409
61 to 90 days	**8,914**	13,419
More then 90 days	**133,259**	106,757
	243,086	271,354

37. TRADE PAYABLES (Continued)

The carrying amounts of AcrossAsia Group's trade payables are denominated in the following currencies:

	2013	2012
	HK$'000	*HK$'000*
Indonesian Rupiah	**102,599**	147,270
United States dollars	**140,487**	124,084
	243,086	271,354

At 31st December 2013, trade payables of AcrossAsia Group included payables to certain related companies, which are directly or indirectly owned, controlled or influenced by the principal beneficial shareholder of the Company, totalling approximately HK$97,202,000 (2012: HK$85,146,000). These balances are unsecured, interest-free and are repayable principally in accordance with normal trading terms.

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Deemed disposal of partial interest in a subsidiary

During the year ended 31st December 2013, First Media issued 270,929 ordinary shares upon the exercise of warrants by its non-controlling shareholders. The Company's equity interests in First Media was diluted from 55.11% to 55.10%. The effect of the deemed disposal on the equity attributable to the owners of the Company is as follows:

	2013
	HK$'000
Net assets in the subsidiary disposed of	**191**
Cash consideration received	**(161)**
Loss on deemed disposal recognised directly in equity	**30**

(b) Disposal of partial interest in an associate

In January 2013, Link Net disposed of 5% interests in the associate, IMT.

	2013
	HK$'000
Share of net assets in the associate disposed of	**1,382**
Goodwill	**27**
Gain on disposal of partial interest in an associate	**165**
Total consideration — satisfied by cash	**1,574**

(c) Major non-cash transactions

During the year ended 31st December 2013, additions to property, plant and equipment of approximately HK$135,093,000 (2012: HK$127,295,000) were financed by finance leases.

39. FINANCIAL INSTRUMENTS

Fair value estimation

Current financial assets and liabilities

AcrossAsia Group's carrying amounts for current financial assets and liabilities approximate their fair values due to the short maturity of these instruments.

Non-current financial assets and financial liabilities

For available-for-sale financial assets in listed shares of approximately HK$67,000 (2012: HK$67,000) which are stated at quoted market price, their carrying amounts approximate their fair values. For long term investments in unlisted shares of approximately HK$3,191,000 (2012: HK$4,052,000), whose fair value cannot be reliably measured without incurring excessive costs, they are carried at cost less any impairment losses. The Directors believe that the carrying amount of those investments represents AcrossAsia Group's best estimate of their fair value.

Except as stated above, the carrying amounts of AcrossAsia Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

39. FINANCIAL INSTRUMENTS (Continued)

Interest rate risk

The following table sets out the carrying amount, by maturity, of AcrossAsia Group's financial instruments that are exposed to interest rate risk:

	Within one year *HK$'000*	In the second year *HK$'000*	In the third to fifth years, inclusive *HK$'000*	Total *HK$'000*
As at 31st December 2013				
Fixed rate				
Bank balances	**71,844**	**—**	**—**	**71,844**
Bank loans	**142,910**	**30,889**	**529**	**174,328**
Other borrowings	**83,277**	**46,142**	**25,832**	**155,251**
Notes payable	**3,177**	**—**	**—**	**3,177**
Bond payable	**—**	**—**	**467,946**	**467,946**
Finance lease payables	**33,906**	**43,550**	**37,676**	**115,132**
Floating rate				
Bank balances	**178,862**	**—**	**—**	**178,862**
Bank loans	**—**	**—**	**63,508**	**63,508**
Other borrowings	**171,741**	**—**	**—**	**171,741**
Due to a related company	**4,000**	**—**	**—**	**4,000**
As at 31st December 2012				
Fixed rate				
Bank balances	621,937	—	—	621,937
Bank loans	104,489	14,570	151,206	270,265
Other borrowings	47,455	—	—	47,455
Notes payable	4,034	—	—	4,034
Bond payable	—	—	588,280	588,280
Finance lease payables	29,455	36,329	55,196	120,980
Floating rate				
Bank balances	63,071	—	—	63,071
Bank loans	93,000	—	—	93,000
Other borrowings	84,164	—	—	84,164
Due to a related company	4,000	—	—	4,000

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until maturity of the instruments. The other financial instruments of AcrossAsia Group that are not included in the above tables are non-interest bearing, and are therefore not subject to interest rate risk.

39. FINANCIAL INSTRUMENTS (Continued)

Categories of financial instruments at 31st December

	AcrossAsia Group	
	2013	2012
	HK$'000	*HK$'000*
Financial assets:		
Loans and receivables (including cash and cash equivalents)	**681,706**	836,612
Available-for-sale financial assets	**3,258**	4,119
Financial liabilities:		
Financial liabilities at amortised cost	**1,100,679**	1,003,041

Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The disclosures of fair value measurements should use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that AcrossAsia Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

Disclosures of level in fair value hierarchy at 31st December 2013:

	Fair value measurement using:			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Recurring fair value measurements:				
Available-for-sale financial assets				
Listed equity investments	**67**	**—**	**—**	**67**

Disclosures of level in fair value hierarchy at 31st December 2012:

	Fair value measurement using:			
Description	Level 1	Level 2	Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Recurring fair value measurements:				
Available-for-sale financial assets				
Listed equity investments	67	—	—	67

AcrossAsia Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

40. FINANCIAL RISK MANAGEMENT

The main financial risks faced by AcrossAsia Group are credit risk, foreign currency risk, interest rate risk and liquidity risk. The Directors review and agree policies for managing each of these risks of AcrossAsia Group, which are summarised below. AcrossAsia Group also monitors the market price risk arising from all financial instruments.

(a) Credit risk

Financial instruments that potentially subject AcrossAsia Group to significant concentrations of credit risk consist principally of bank deposits, trade receivables, other receivables and certain investments. AcrossAsia Group's exposure to credit risk arises from default of other parties, with maximum exposure equal to the carrying amount of these instruments.

AcrossAsia Group maintains bank deposits with various financial institutions. AcrossAsia Group's policy is designed to limit exposure to any one institution. AcrossAsia Group performs periodic evaluations of the relative credit standing of those financial institutions that are considered in AcrossAsia Group's investment strategy.

As at 31st December 2013, the largest trade receivable balance represented approximately 84% of the total trade receivables. The balance will be settled by instalments from 2014 to 2016. Concentrations of credit risk with respect to other trade receivables are limited due to the large number of entities comprising AcrossAsia Group's customer base. AcrossAsia Group normally grants trade credits to recognised and creditworthy customers and receivable balances are monitored on an ongoing basis by senior management.

With respect to credit risk arising from the other financial assets of AcrossAsia Group, AcrossAsia Group's exposure to credit risk arises from default of the other parties, with maximum exposure equal to the carrying amount of these instruments. There are no significant concentrations of credit risk for those financial assets within AcrossAsia Group.

(b) Foreign currency risk

As a result of significant operations in Indonesia, AcrossAsia Group's statement of financial position can be affected significantly by movements in Indonesian Rupiah/United States dollar exchange rates. AcrossAsia Group seeks to mitigate the effect of its structural currency exposure by borrowing in Indonesian Rupiah.

AcrossAsia Group also has transactional currency exposures. Such exposures arise from purchases or borrowings by the Company's subsidiaries in currencies other than the subsidiaries' functional currency.

A substantial portion of AcrossAsia Group's cost of services rendered are denominated in United States dollar. AcrossAsia Group also generates expenses and liabilities in United States dollar. As a result, AcrossAsia Group is required to convert Indonesian Rupiah into United States dollar to meet its foreign exchange liabilities as they become due. Any adverse movement in the exchange rate of Indonesian Rupiah against the United States dollar would have an adverse effect on the results of AcrossAsia Group.

At 31st December 2013, if Indonesian Rupiah had weakened/strengthened 20% (2012: 10%) against the United States dollar with all other variables held constant, consolidated loss after tax for the year would have been approximately HK$40,428,000 (2012: HK$13,671,000) higher/lower, arising mainly as a result of the foreign exchange loss/gain on borrowings denominated in the United States dollar.

40. FINANCIAL RISK MANAGEMENT (Continued)

(b) Foreign currency risk (Continued)

Moreover, the Indonesian government may in the future decide to introduce a scheme of exchange controls or other currency controls with a view to stabilising the exchange rate of the Indonesian Rupiah. The imposition of any such exchange controls may adversely affect the ability of AcrossAsia Group to exchange Indonesian Rupiah denominated revenue into United States dollar or other foreign currency denominated liabilities and may adversely affect AcrossAsia Group's financial condition.

(c) Interest rate risk

AcrossAsia Group's exposure to market risk for changes in interest rates relates primarily to its long term borrowing obligations and interest bearing assets.

AcrossAsia Group's policy is to manage its interest cost using a mixture of fixed and variable rate borrowings. At 31st December 2013, approximately 80% (2012: 85%) of AcrossAsia Group's interest-bearing borrowings were arranged at fixed rates.

Further details of interest rate risk of AcrossAsia Group are set out in Note 39 to the financial statements.

At 31st December 2013, if interest rates at that date had been 100 basis points lower/higher with all other variables held constant, consolidated loss after tax for the year would have been HK$1,764,000 (2012: HK$1,329,000) lower/higher, arising mainly as a result of lower/higher interest expense on bank and other borrowings.

(d) Liquidity risk

AcrossAsia Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank and other borrowings, promissory notes, finance lease payables, other payables and balances with related companies. AcrossAsia Group's total borrowings of approximately HK$248,126,000 (2012: HK$257,301,000) at the end of the reporting period will mature in more than one year. Due to the dynamic nature of underlying business, AcrossAsia Group aims at maintaining flexibility in funding by keeping committed credit lines available.

40. FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity risk (Continued)

The following table sets out the amounts of contractual undiscounted cash flows, by maturity, of AcrossAsia Group's financial liabilities:

	Within one year	In the second year	In the third to fifth years, inclusive	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
As at 31st December 2013				
Bank loans	**159,452**	**38,453**	**88,948**	**286,853**
Other borrowings	**273,091**	**50,751**	**29,797**	**353,639**
Notes payable	**3,558**	**—**	**—**	**3,558**
Finance lease payables	**44,353**	**56,317**	**48,212**	**148,882**
Due to related companies	**4,240**	**—**	**18,662**	**22,902**
Trade payables	**243,086**	**—**	**—**	**243,086**
Other payables and accruals	**266,926**	**—**	**—**	**266,926**
As at 31st December 2012				
Bank loans	209,805	15,779	237,926	463,510
Other borrowings	149,228	—	—	149,228
Notes payable	4,518	—	—	4,518
Finance lease payables	39,863	47,851	71,636	159,350
Due to related companies	4,240	—	23,694	27,934
Trade payables	271,354	—	—	271,354
Other payables and accruals	170,031	—	—	170,031

41. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the financial statements, AcrossAsia Group had the following transactions with its related parties during the year:

	AcrossAsia Group	
	2013	2012
	HK$'000	*HK$'000*
Data communication services:		
— PT Visionet International	**1,804**	1,611
— Yayasan Pendidikan Pelita Harapan	**1,354**	847
Purchases of equipment:		
— PT Multipolar Technology	**112,450**	118,117
Insurance expenses:		
— PT Lippo General Insurance Tbk	**1,413**	960
Interest paid:		
— PT Ciptadana Multifinance	**19,284**	8,049

The related companies are, directly or indirectly, owned, controlled or influenced by the principal beneficial shareholder of the Company.

42. LEASE COMMITMENTS

At 31st December 2013 the total future minimum lease payments under non-cancellable operating lease is payable as follows:

	AcrossAsia Group		Company	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Within one year	**76**	—	**76**	—

Operating lease payments represent rentals payable by AcrossAsia Group for its office. Lease in negotiated for a term of one year and rentals are fixed over the lease term and do not include contingent rentals.

43. GARNISHEE AND RELATED PROCEEDINGS

Singapore Arbitration Awards

As stated in the consolidated financial statements of the Company for the year ended 31st December 2009, on 6th October 2008, (i) Astro Nusantara International B.V., (ii) Astro Nusantara Holdings B.V., (iii) Astro Multimedia Corporation N.V., (iv) Astro Multimedia N.V., (v) Astro Overseas Limited (formerly known as AAAN (Bermuda) Limited), (vi) Astro All Asia Networks Limited (formerly known as Astro All Asia Networks PLC), (vii) Measat Broadcast Network Systems SDN BHD and (viii) All Asia Multimedia Networks FZ-LLC (hereinafter collectively referred to as "Astro Group") filed a Notice of Arbitration against PT Ayunda Prima Mitra and First Media, both being 55.1% owned subsidiaries of the Company, and PT Direct Vision, the then associate of the Company, under the rules of Singapore International Arbitration Centre ("SIAC") in Singapore. SIAC issued several awards in 2009 and 2010 ruling in favour of Astro Group. Based on legal opinions obtained from First Media's Indonesian lawyer dated 10th March 2011 and 29th February 2012, the Interim Final Award (as amended by the Amendment of Interim Final Award), Partial Costs Award and Final Costs Award (hereinafter collectively referred to as the "Awards") are against the Indonesian law and therefore, could not be enforced in Indonesia according to the New York Convention and the Indonesia Regulation of Arbitration No. 30/1999. Moreover, the Awards are continuance of the Interim Arbitration Award as the Interim Arbitration Award was determined to be unenforceable by the Central Jakarta District Court which has been affirmed by the Supreme Court.

Singapore Enforcement Proceedings

On 31st October 2013, the Singapore Court of Appeal handed down its decision in respect of First Media's appeal against enforcement of the Awards against First Media. The Singapore Court of Appeal has set aside enforcement of the Awards which the Singapore High Court had previously made in favour of Astro Group save for the residual amount of US$608,176.54, GBP22,500 and S$65,000 (or 0.3% of the original awards estimated at US$250 million) in favour of Astro Nusantara International BV, Astro Nusantara Holdings BV, Astro Multimedia Corporations NV, Astro Multimedia NV and Astro Overseas Limited.

On 13th November 2013, First Media fully paid the residual amount of US$608,176.54, GBP22,500 and S$65,000 subject to the reservations as set out in the enclosure of the Company's Overseas Regulatory Announcement dated 15th November 2013. Accordingly, it is First Media's position that there is no longer any payment due by First Media to Astro Group pursuant to the Awards.

Hong Kong Garnishee Order to Show Cause

Pursuant to Astro Group's enforcement proceedings against First Media in Hong Kong, a garnishee order to show cause dated 22nd July 2011 (the "Garnishee Order to Show Cause") was served on the Company (as garnishee) ordering that all sums due or accruing due from the Company to First Media (being a judgment debtor) be attached to answer a Hong Kong High Court judgment dated 9th December 2010 against First Media by Astro Group (the judgment creditors) for certain judgment sums (the "Hong Kong Judgment. The substantive hearing was heard on 9th to 13th September 2013, 16th to 19th September 2013 and 19th October 2013. The Court handed down its decision on 31st October 2013 in which it dismissed the Company's application to set aside the Garnishee Order to Show Cause and made the Garnishee Order to Show Cause absolute with a nisi order for costs in favour of Astro Group (the "Garnishee Order Absolute"). The final terms of the Garnishee Order Absolute have yet to be settled by the Court.

On 27th November 2013, the Company filed an appeal against the Garnishee Order Absolute (the "Hong Kong Appeal"). A date has yet to be fixed by the Hong Kong Court of Appeal for the hearing of the Hong Kong Appeal.

43. GARNISHEE AND RELATED PROCEEDINGS (Continued)

Hong Kong Garnishee Order to Show Cause (Continued)

Further, in respect of the Garnishee Order Absolute:

(a) On 29th November 2013, First Media issued a summons for a stay of execution of the Garnishee Order Absolute pending determination of First Media's application to set aside (amongst other things) the Hong Kong Judgment (the setting aside application was made on 18th January 2012) ("First Media's Stay of Execution Application");

(b) On 6th December 2013, Astro Group took out a summons requesting, amongst other things, that the nisi order for costs in favour of Astro Group be varied out of time ("Astro Group's Costs Order Nisi Variation Application"); and

(c) On 23rd December 2013, the Company applied by way of a summons for a stay of execution of the Garnishee Order Absolute pending the determination of First Media's application to set aside (amongst other things) the Hong Kong Judgment ("the Company's Stay of Execution Application").

The said 3 summonses were heard on 23rd and 24th January 2014 and the Court ordered that:

(a) The Company's Stay of Execution Application be granted;

(b) First Media's Stay of Execution Application be granted; and

(c) Astro Group's Costs Order Nisi Variation Application be dismissed.

On 7th February 2014, Astro Group issued a summons ("Astro's Summons") seeking leave to appeal against the order dated 24th January 2014 granting the Company an unconditional stay of execution of the Garnishee Order Absolute pending the determination of First Media's application to set aside (amongst other things) the Hong Kong Judgment. Astro's Summons came up for hearing on 21st March 2014 and the Hong Kong Court has dismissed Astro's Summons with costs.

Based on the Hong Kong Court's comment at the hearing on 24th January 2014 and on a legal opinion from the Company's Hong Kong lawyer, the Directors of the Company are of the view that there is a good prospect that the Hong Kong Judgment will be set aside, and consequently, the Garnishee Order Absolute will no longer be in place as the underlying orders and judgment (orders dated 3rd August 2010 and 9th September 2010 and the Hong Kong Judgment) will be set aside. Further, based on a legal opinion obtained from the Company's Hong Kong lawyer, the Directors of the Company are of the opinion that the Company has a reasonable prospect of success in its appeal against the Garnishee Order Absolute.

43. GARNISHEE AND RELATED PROCEEDINGS (Continued)

Indonesian BANI Arbitration Award and Indonesian Bankruptcy Order

Notwithstanding the ongoing garnishee proceedings in Hong Kong, on 30th August 2012, First Media commenced arbitration proceedings against the Company at the Indonesian National Board of Arbitration ("BANI") to recover the principal loan sum of US$44 million together with interest from the Company pursuant to the terms and conditions of the Facility Agreement dated 30th June 2011 made between First Media as the lender and the Company as the borrower.

On 12th September 2012, the arbitral tribunal of BANI made an arbitration award against the Company requiring the Company (amongst other things) to pay a total sum of US$46,774,403 to First Media in Indonesia by 27th October 2012 at the latest (the "BANI Arbitration Award"). The BANI Arbitration Award further stated that the award is a final award and binding on both parties.

Thereafter, First Media commenced enforcement proceedings in respect of the BANI Arbitration Award which eventually led to the Indonesian Court making a bankruptcy order against the Company on 5th March 2013 (the "Indonesian Bankruptcy Order"). Pursuant to the Indonesian Bankruptcy Order, the Indonesian Court appointed three receivers as receivers and curators of the Company.

The Company is vigorously objecting against the Indonesian Bankruptcy Order. The Company's appeal to the Supreme Court of Indonesia against the Indonesian Bankruptcy Order (the "Cassation/Appeal") was dismissed on 31st July 2013. The Company's Indonesian lawyer has advised that the Company is entitled to make a final appeal by way of a petition for judicial review against the decision of the Supreme Court of Indonesia made on 31st July 2013 dismissing the Company's Cassation/Appeal (the "Judicial Review") The Indonesian lawyer has advised that the Judicial Review is to be filed after the Company is in receipt of an official notice of dismissal of the Cassation/Appeal (the "Official Notice"). As at the date hereof, the Company has yet to receive the Official Notice. The Judicial Review is therefore pending filing and final hearing.

Based on a legal opinion obtained from the Company's Indonesian lawyer, the Directors of the Company are of the opinion that there are good grounds for the Company in its Judicial Review against the Indonesian Bankruptcy Order. In the event that the Company's Judicial Review is successful, the Indonesian Bankruptcy Order will be set aside.

Until the Judicial Review is finally determined, according to the Indonesian Capital Markets Rule No. KEP-259/BL/2008, as the Company remains the owner of 55.1% of the total issued shares of First Media, the Company is the Parent and First Media is a Subsidiary of the Company. In addition, in the Financial Statements of First Media for the year ended 31st December 2013, First Media regards the Company as its parent company.

44. EVENTS AFTER THE REPORTING PERIOD

The following is a summary of events after the reporting period, details of which are set out in note 43 to the financial statements:

(i) Upon the hearings on 23rd and 24th January 2014, the Hong Kong Court has granted the Company's Stay of Execution Application and First Media's Stay of Execution Application and dismissed Astro Group's Costs Order Nisi Variation Application.

(ii) On 7th February 2014, Astro Group issued a summons ("Astro's Summons") seeking leave to appeal against the Hong Kong Court's order dated 24th January 2014 granting the Company's Stay of Execution Application. Astro's Summons was heard on 21st March 2014 and was dismissed with costs.

45. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 21st March 2014.

AcrossAsia Limited