AcrossAsia Limited

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

Annual Report 2015

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.

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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
Ganesh Chander GROVER

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
Ganesh Chander GROVER

NOMINATION COMMITTEE

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

AUTHORISED REPRESENTATIVES

Vicente Binalhay ANG
Thomas Yee Man LAW

AUTHORISED PERSON TO ACCEPT SERVICE OF PROCESS AND NOTICES

Alice Yeuk Ki LO

REGISTERED OFFICE

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Grand Cayman, KY1-1104
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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6 Tonnochy Road, Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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Hong Kong

AUDITOR

RSM Hong Kong
Certified Public Accountants
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Hong Kong

PRINCIPAL BANKER

China CITIC Bank International Limited
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Hong Kong

STOCK CODE

8061

WEBSITES OF THE COMPANY AND MAJOR SUBSIDIARIES

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

Chairman's Statement

On behalf of the Board of Directors (the "Board") of the Company, I am pleased to present the Annual Report of the Company and its subsidiaries (collectively "AcrossAsia Group") for the financial year ended 31st December 2015 ("2015") to our shareholders.

AcrossAsia's operations are principally centred in PT First Media Tbk ("First Media") principally from First Media's operations in Indonesia. AcrossAsia's business has expanded substantially in 2015:

(1) We now have 18% more Internet and cable TV subscribers and our cables have now passed more than 1,670,000 homes.

(2) Since our acquisition of PT Internux, a provider of broadband wireless access service in late 2014, our 4G LTE subscribers have increased by over 40%.

(3) Since our acquisition of PT Cinemaxx Global Pasifik, which is engaged in filming and video recording and cinema services in late 2014, we have over 180% more cinema complexes and screens.

The expansion has indeed come with a temporary price of lower gross profit, higher operating expenses and higher gearing ratio in 2015. However, as stated in the Management Review section, we consider the above as necessary investment as we venture deeper into the technology, media and telecommunication segment.

In addition to the above, 2015 continued to be challenging year for the Company. 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 and First Media.

Particulars of this dispute and its resulting series of legal proceedings have been detailed in the Company's previous Annual Reports, announcements and Note 44 to the consolidated financial statements and I will therefore not repeat it. However, I would like to emphasize to the shareholders that, despite certain setbacks, including the proceedings in the Hong Kong Market Misconduct Tribunal, we believe that we have solid grounds in the Company's appeal against the Garnishee Order Absolute.

As a result of the bankruptcy order made against the Company in Indonesia on 5th March 2013, our Auditor has issued an adverse opinion. The Auditor believes that AcrossAsia has ceded control over First Media following appointment of the Receivers in Indonesia. The Board is of the view:

(1) That the Company has been greatly incapacitated by the Indonesian Bankruptcy Order and has faced many challenges since the date of the Indonesian Bankruptcy Order.

(2) However, as the legal process in Indonesia has yet to run its course it would still be premature to deconsolidate the financial statements of First Media and therefore it would be appropriate to continue for the time being to prepare the Company's financial statements on a consolidated basis.

Despite the above challenges, the Board has used its best endeavours and kept the shareholders informed timely of developments in the Company. In this regard, the Board regrets that there was some delay in issuing this Annual Report as our Auditors needed more time and effort to complete its audit procedures.

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, 12th July 2016

Financial Summary

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:

	2015	2014	2013	2012	2011
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
CONSOLIDATED RESULTS					
Revenue	**2,063,948**	1,556,529	1,299,479	1,091,166	920,648
Gross profit	**942,635**	1,129,159	948,244	773,391	724,985
(Loss)/profit after tax but before non-controlling interests	**(830,680)**	60,457	(143,104)	(27,064)	(64,189)
Loss attributable to owners of the Company	**(278,504)**	(66,550)	(158,682)	(89,879)	(80,431)
CONSOLIDATED ASSETS & LIABILITIES					
Equity attributable to owners of the Company	**99,487**	434,797	(60,519)	159,549	291,905
Non-current assets	**4,968,644**	5,033,984	2,187,014	2,190,249	1,749,460
Current assets	**920,336**	1,105,143	787,630	961,287	1,070,538
Current liabilities	**2,277,077**	1,477,577	1,269,949	883,271	603,811
Non-current liabilities	**1,303,439**	1,417,938	777,911	925,608	741,760

FINANCIAL REVIEW

AcrossAsia Group's results for 2015 were analysed as follows:

Revenue

AcrossAsia Group's revenue increased by 32.6% to HK$2,063.9 million compared to HK$1,556.5 million for 2014 mainly contributed by the increase in demand for broadband Internet and network services by HK$36.6 million in aggregate to HK$652.1 million compared to HK$615.5 million in 2014 and for cable TV services by HK$22.0 million to HK$541.5 million from HK$519.5 million in 2014. Furthermore, the wireless and cinema businesses acquired in the fourth quarter of 2014 also respectively generated HK$91.3 million device sales and HK$82.1 million ticket sales and food and beverages revenue.

Gross Profit

AcrossAsia Group's gross profit decreased by 16.5% to HK$942.6 million from HK$1,129.2 million and its gross profit margin decreased to 45.7% from 72.5% in 2014 mainly attributable to the high costs of tower rental following the acquisition of the wireless business and subscriber acquisition costs of providing complimentary communication devices to increase market share of this business.

(Loss)/profit from Operations

AcrossAsia Group recorded a loss from operations of HK$636.0 million compared to a profit of HK$368.6 million in 2014 mainly due to the decrease in gross profit, the depreciation and amortisation of intangible assets of and the high marketing and operating costs of the newly acquired wireless and cinema businesses, and exchange losses of HK$113.1 million (2014: HK$3.6 million). Total operating expenses (excluding other income and expenses) increased to HK$1,498.0 million from HK$820.5 million in 2014.

Loss attributable to Owners

AcrossAsia Group recorded a loss attributable to the owners of the Company of HK$278.5 million compared to HK$66.6 million in 2014.

Finance Resources and Capital Structure

AcrossAsia Group purchased property, plant and equipment, purchased intangible assets and repaid loans and debts with funds generated mainly from operations of HK$514.8 million, disposal of property, plant and equipment of HK$56.3 million and raised from loans and borrowings of HK$521.9 million. It utilised an aggregate amount of HK$1,348.5 million for the above activities but still retained cash and cash equivalents of HK$226.3 million as at 31st December 2015. It had current assets of HK$920.3 million as at 31st December 2015. Total interest-bearing borrowings including loans and finance lease payables increased by HK$290.8 million to HK$1,761.5 million as at 31st December 2015 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, wireless broadband and cinema 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 17.7 times as at 31st December 2015.

Management Review

As a result of substantial operations in Indonesia, AcrossAsia Group is exposed to 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 negative impact on AcrossAsia Group's results mainly due to the depreciation of the Indonesian Rupiah. AcrossAsia Group will continue to monitor and manage its foreign exchange exposure.

BUSINESS REVIEW

Multimedia services and broadband network services

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 its growth momentum despite operating in a rather challenging macro environment in 2015.

First Media Group is the leading cable broadband ("FastNet") and pay TV ("HomeCable") operator in Indonesia with a network passing through over 1.6 million affluent homes in Greater Jakarta, Greater Surabaya and Bandung. It also provides pay TV services to hotels in Bali. It is the first pay TV network in Indonesia to offer high definition (HD) TV programs. It currently operates a two-way HFC (Hybrid Fibre Coaxial) network. Leveraging this network, it also targets the fast-growing enterprise market with data communications solutions ("DataComm"). It also sells advertising time to capitalize on its rapidly growing pay TV subscriber base.

In early 2015, First Media Group launched its new X1 Combo HD Packs, offering a new interactive and multimedia entertainment experience for its customers. The new X1 Combo HD Packs come with the FastNet and HomeCable bundled packages that offer more than 60 HD Channels and download speeds from 6 Mbps up to 200 Mbps across the cities with its next-generation set-top box (Smart Box) and enhanced over-the-top service, First Media Go, allowing customers to enjoy their favourite TV channels, Video-on-Demand (VOD) content and Catch-Up TV online and through their mobile devices. The price of the bundled packages start from Rp279,000.

The new Smart Box, with its two-way interactivity and Android capabilities, opens up access to the internet and the Android App Store, giving customers access to pay TV content, YouTube, Android games and Internet all from the same menu interface. The Smart Box also offers customers access to not just linear TV channels, but also VOD, Catch-Up TV and full Personal Video Recorder (PVR) features such as series recording and record one channel while watching another. The experience is also extended to online and mobile devices through First Media's enhanced over-the-top service First Media Go. Customers with subscription to its pay TV channels, VOD and Catch-Up content can also watch them on personal devices at home or on-the-go so they only pay for one subscription and enjoy it across multi-screens.

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. DataComm uses "Metro Ethernet technology" as the network backbone to allow corporate customers simple and flexible connectivity. First Media Group has been the sole network provider to the Indonesian Stock Exchange for its JATS-Remote Trading for over ten years.

First Media Group continues to focus on improving its services and customer satisfaction in order to grow its customer base as well as expand its infrastructure to cover untapped areas. The results have been continuous growth of its customer base, and the strengthening of the dominance of its major triple-play megamedia services in their respective segments.

First Media Group's second-phase of network coverage expansion is underway. As at 31st December 2015, it has added over 240 thousand homes passed to its HFC network. The number of broadband internet and cable TV subscribers continued their uptrend reaching over 432 thousand and 456 thousand, respectively.

Broadband wireless services

First Media Group continues to expand its high speed BWA (Broadband Wireless Access) business, which utilizes the 4G LTE-TDD (Long Term Evolution — Time Division Duplex) technology on its 2.3 Ghz frequency, to internet users in Jakarta, Bogor, Depok, Tangerang, Bekasi and North Sumatera. It operates the BWA business under the tradename BOLT! Super 4G LTE. 4G LTE can provide speeds of up to 100 Mbps and customers can easily access content that requires wide bandwidth such as streaming video, movies on demand and so on. To use these services, mobile wifi modems, USB modems, home routers, and powerphones are several types of user devices being offered by the Company to its customers.

First Media Group launched BOLT! Thunder (Prepaid) at the end of 2013. BOLT! Thunder packages offered data packets with a total of 8GB which is bundled with the modem, valid for 30 days (for the main quota) with download speeds up to 100 Mbps and can be recharged at any time through leading banks (ATM, Transfer), convenience stores (7-Eleven, Indomaret and others), electronic retail stores or use of a credit card online. The packages offered start from Rp25,000 for a quota of 3 GB until Rp200,000 for a quota of 26 GB with 30 days validity for the main quota.

For Premium BOLT! (postpaid), customers can enjoy unlimited internet service by paying a fixed monthly fee. With speeds of up to 100 Mbps, customers get to use up to 20-30 GB fair usage and for the rest of the month, customers can enjoy free internet service with a speed of 64Kbps. If a customer has reached the fair usage limit before the due date of monthly bills, and wants to continue to enjoy high-speed Internet, then through the BOLT! website, the customer may at any time purchase additional data packets (booster) in accordance with its needs. Each Premium BOLT! customer automatically gets a free modem device with a minimum contract period of up to 12 months. Package offered has a minimum subscription fee of Rp149,000 per month depending on the type of user device and additional data packets (booster).

First Media Group has also initiated and developed the BOLT! Corporate Solution. BOLT! Corporate Solution is part of BOLT! services aimed at businesses and other commercial purposes. BOLT! Corporate Solution provides communications and information technology solutions by combining internet services provided by the BOLT! network with additional features or solutions required by commercial business clients.

This step was taken to address the needs of a dynamic modern society in the digital edge, especially in the capital city of Jakarta, to provide reliable as well as economical access to high speed mobile internet. As at 31st December 2015, the number of BWA customers has reached over 1.38 million.

Cinema services

Cinemaxx was established to develop and operate modern, state-of-the-art multiplex cinemas. With more than 2,000 screens planned across the country over the next 10 years, Cinemaxx is poised to be one of Indonesia’s largest and most preferred motion picture exhibitors.

Cinemaxx complexes are 100% digital. Moviegoers can experience 2D and 3D feature films, documentaries, and alternative content in unmatched picture brightness and unparalleled audio fidelity. A Cinemaxx regular ticket costs a minimum of Rp15,000 depending on location, film and date/times/seasons.

As part of Cinemaxx’ commitment to provide patrons with a distinctive movie entertainment experience, Cinemaxx is proud to offer Ultra XD and Cinemaxx Gold.

Ultra XD, the giant-screen format of Cinemaxx, offers moviegoers a truly immersive cinematic experience. With an ultra wide 25-meter screen and dual-stack projection system coupled with Ultra XD’s customized theater geometry and powerful, digital audio system, moviegoers can experience ultimate movie immersion like never before. Minimum ticket price is Rp45,000 depending on location, film and date/times/seasons.

Management Review

Cinemaxx Gold, the VIP cinema offering of Cinemaxx, allows guests to view the season's biggest hits while enjoying first-class dining — from gourmet snacks and entrees to luscious desserts — served by attendants on call. Unlike conventional cinema auditoriums, guests at Cinemaxx Gold enjoy lavish, twin-motor leather recliners, where they can recline and lift their feet at the push of a button. Minimum ticket price is Rp45,000 depending on location, film and date/time/seasons.

Besides Maxximum Movie Experience, Cinemaxx provides supporting facilities at its cinema complexes. Maxx Coffee in the Cinemaxx lobbies offers a wide variety of premium drinks for customers to enjoy while waiting for their movies, including coffee extracted from premium coffee beans, tea, cocoa, frappe, blended cream and smoothie fruit juice. Book lovers can enjoy a selection of books, magazines and toys at Books & Beyond. Last but not least, Cinemaxx Games is ready to fulfill a moviegoer's entertainment needs.

As of 31st December 2015, Cinemaxx owned and operated 14 cinema complexes with a total of 73 screens.

PROSPECTS

Indonesia's economic growth during 2015 amidst global macro headwinds can be largely attributable to strong domestic consumption as well as foreign and domestic investments. This positive trend is expected to continue through 2016 particularly with the economic policy stimulus packages initiated by the government in 2015. The expansion and enhancement of AcrossAsia Group's broadband internet, cable TV and 4G service networks and services in 2015 reflects the growth opportunities available in this largely under-penetrated market where homes and corporates alike will continue to demand quality products and services.

First Media Group plans to pursue other new businesses either from its existing portfolio or from other potential business opportunities but staying focused on the technology, media and telecommunications segment, as all these three areas are interrelated.

The recent decision of the United Kingdom to leave the European Union has added a new element of uncertainty to the global economic and political climate.

EMPLOYEES

As at 31st December 2015, AcrossAsia Group had approximately 2,200 employees (2014: 1,700). Their remuneration, promotion and salary review are assessed based on job responsibilities, work performance, professional experiences and the prevailing industry practices.

EXECUTIVE DIRECTOR

Mr. Vicente Binalhay ANG, aged 69, 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 65, 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.

He is also an independent non-executive Chairman of International Standard Resources Holdings Limited and an independent non-executive director of both Hongkong Chinese Limited and China Aircraft Leasing Group Holdings Limited, all 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 60, 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 CSE Global Limited, and Jumbo Group Limited, both are listed on the Singapore Exchange. 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.

Directors and Senior Management

Mr. Thomas Yee Man LAW, aged 59, 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 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.

Mr. Ganesh Chander GROVER, aged 77, is a qualified chartered accountant from the Institute of Chartered Accountants of India, New Delhi. Mr. Grover started his career in 1964 as a CFO of Bist Industrial Corporation, and he joined the United States Agency for International Development ("USAID") as a Financial Analyst in 1966 at New Delhi, and later transferred to USAID Jakarta, Indonesia. Mr. Grover joined Group Usaha Trisakti as vice president and group treasurer, and he moved to PT Lippo Cikarang Tbk ("PT Cikarang") in 1990 following an acquisition of one of the businesses of Group Usaha Trisakti in 1990 by PT Cikarang. He has since then remained with PT Cikarang as their finance director until 1997, and acted as the independent commissioner of PT Cikarang since 1997. Mr. Grover was also the founding member of the Indonesian Chapter of the Institute of Chartered Accountants of India in 2003, and served as its chairman from 2005 to 2010.

SENIOR MANAGEMENT

Mr. Ali CHENDRA, holds the position as the President Director of PT First Media Tbk since 2014. Previously, Ali Chendra served as the Director of PT First Media Tbk since 2013. In 2003, Ali Chendra established Indonesian Multimedia Association (APMI) with the position as its Vice Chairman.

Started his career as technical staff at PT Metrodata/Wang Computer (1979–1983), then in the following year he expanded his career by serving as Director of PT Total Data (1983–1993), PT Telepoint Nusantara (1993–1999), PT Telplus Digitalindo (1993–1999), and PT Infracom Telesarana (2009–2012).

He also held positions as President Director in several companies, among others: PT Indonesia Media Televisi (2012–2014), PT Infokom Elektrindo (2006–2009), PT Datakom Pratama (2005–2006), PT MLC/Indovision (2001–2004), PT Media Citra Indostar (2001–2004). In addition he was also a member of BOC and BOD in a number of companies of Bhakti Investama/MNC Group, namely: Linktone-Nasdaq Listed (member of BOD), PT Bhakti Investama Tbk (member of BOD), PT Agis Tbk (member of BOD), PT Metrosel (member of BOC), and PT Mobile 8 Telecom Tbk (member of BOC).

In 2003, he obtained his degree from the Control Data Institute, Toronto, Canada.

Mr. Irwan DJAJA, holds the position as the Vice President Director of PT First Media Tbk since 2014.

Previously, Irwan Djaja held the position as the President Director of PT First Media Tbk (2011–2013) and as Director of Finance (2009–2011).

Started his career as an Accountant at PT Citra Dimensi Arthali (1993–1994), then joined the public accountant office of Prasetio Utomo & Co. (Arthur Andersen Co.SC) with his last position as Supervisor in the Division of Business Advisory (1994–1996). Continuing his career journey by working in KPMG (Klynveld Peat Marwick Goerdeler) Asia Pacific as Senior Manager, then joined Siddharta Consulting office, a member firm of KPMG International for six years since 1999 with his last position as the Director and Associate Partner Corporate Finance in the Financial Advisory Services Division since 2001. Furthermore, he held the position as Director (Deputy CFO) in PT Clipan Finance Indonesia Tbk, a multifinance company (2006–2008).

He obtained his Bachelor of Economics degree majoring in Accounting from Trisakti University, Indonesia and Master of Applied Finance from The University of Melbourne, Australia and earned a Doctorate in Management from Bina Nusantara University, Jakarta, Indonesia.

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 2015.

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 2015, 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")	5/6	83.3%

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 2015, 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 2016.

The term of office of Dr. Lim was extended for two years from 2nd May 2016.

The term of office of Mr. Law was extended for two years from 28th May 2016.

Mr. Ganesh Chander GROVER ("Mr. Grover") was appointed as an independent non-executive Director pursuant to a letter of appointment dated 18th May 2016 for a term of two years from 18th May 2016.

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 2015, 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 2015 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 2015, 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.

The Board approved the recommendation of the Remuneration Committee for revision of the aforesaid remuneration policy with effect from 1st January 2015. Details of the remuneration paid to the directors as set out in Note 13 to the consolidated financial statements.

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 2015 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 5 times during 2015 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)*	5/5	100%
Dr. Lim	5/5	100%
Mr. Law	5/5	100%

During 2015, the Audit Committee discharged its duties by reviewing the financial matters, quarterly, half-year and annual financial reports and consolidated 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 2015 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 CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of AcrossAsia Group for 2015 and the Auditor of the Company also sets out its reporting responsibilities on the consolidated 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$278,504,000 for the year ended 31st December 2015 and had net current liabilities and net assets attributable to owners of the Company of approximately HK$1,356,741,000 and HK$99,487,000 respectively as at 31st December 2015.

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 2015 include the financial position of First Media Group as at 31st December 2015 and the results of First Media Group for the year ended 31st December 2015. 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 for the time being to prepare the Company's financial statements on a consolidated basis.

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$1,343,499. During 2015, the Auditor of the Company also provided non-audit services in the sum of HK$115,242.

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 2015, 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 2015 (the "AGM 2015") was held on 3rd July 2015. 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.

Report of the Directors

The Directors are pleased to present their report together with the consolidated financial statements.

BUSINESS REVIEW

A discussion of AcrossAsia Group's business is set out in Management Review on pages 6 to 8.

PRINCIPAL ACTIVITIES

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

AcrossAsia Group's business segment is set out in Note 8 to the consolidated financial statements.

CUSTOMERS AND SUPPLIERS

For 2015, the five largest customers of AcrossAsia Group accounted for approximately 2.41% (2014: 3.66%) of AcrossAsia Group's total revenue, while the five largest suppliers of AcrossAsia Group accounted for approximately 21.15% (2014: 27.72%) of AcrossAsia Group's total purchases. The largest customer of AcrossAsia Group accounted for 0.78% (2014: 1.16%) of AcrossAsia Group's total revenue while the largest supplier accounted for 6.31% (2014: 7.67%) 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.

The above excluded revenue from PT Internux, which became a subsidiary of AcrossAsia Group during the year ended 31st December 2014, and contributed to approximately 10.8% of AcrossAsia Group's total revenue in 2014 as set out in Note 8 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

Details of AcrossAsia Group's financial performance for 2015 are set out in the consolidated statement of profit or loss on page 26.

The Directors do not recommend the payment of a final dividend in respect of 2015.

PENSION COSTS

Particulars of pension costs for 2015 are set out in Note 12 to the consolidated financial statements.

SHARE CAPITAL

Details of share capital are set out in Note 29 to the consolidated financial statements.

RESERVES

Movements in reserves and retained profits of AcrossAsia Group during 2015 are set out in the consolidated statement of changes in equity on page 30.

ENVIRONMENT POLICIES AND PERFORMANCE

Environment protection is critical to the long term development of the Group. The Group places importance in the management practice so as to minimize waste, maximize efficiencies and reduce negative impact to the environment. The Board has planned to engage third party professionals to help the Group in this process.

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

During 2015, 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.

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in Note 17 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment during 2015 are set out in Note 16 to the consolidated financial statements.

INTEREST-BEARING BORROWINGS

Particulars of interest-bearing borrowings as at 31st December 2015 are set out in Note 33 to the consolidated financial statements.

RELATED PARTY TRANSACTIONS

The related party transactions are set out in Note 43 to the consolidated financial statements.

DIRECTORS

The Directors who held office during 2015 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
Mr. Ganesh Chander GROVER

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.

In accordance with Article 99 of the Articles, Mr. Grover will retire and being eligible, offer himself for 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 2016.

The term of office of Dr. Lim was extended for two years from 2nd May 2016.

The term of office of Mr. Ang was extended for two years from 8th May 2016.

The term of office of Mr. Law was extended for two years from 28th May 2016.

Mr. Grover was appointed pursuant to a letter of appointment dated 18th May 2016 for a term of two years from 18th May 2016.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in Note 43 to the consolidated 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 2015 or at any time during 2015.

DISCLOSURE OF INTERESTS IN SECURITIES

Directors and Chief Executive

As at 31st December 2015, 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 2015, 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 2015, 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 2015. There was a chance that such businesses might have competed with AcrossAsia Group during 2015.

Report of the Directors

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 consolidated financial statements have been audited by RSM Hong Kong. A resolution for the re-appointment of RSM Hong Kong 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 5(b) to the consolidated financial statements, the Board of Directors however considers that it would be appropriate to continue for the time being 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 filed a final appeal by way of a petition for judicial review against the decision of the Supreme Court of Indonesia (the "Judicial Review") on 2nd March 2016 which is pending for final determination. Based on the development of the proceedings as stated in Note 44 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 incapacitated the Company, the Board of Directors are of the view that until the due legal process in Indonesia has run its course, including the decision of the Judicial Review, it would be premature for the Company to deconsolidate First Media.

In addition, in the financial statements of First Media, First Media regards the Company as its parent company by reason of its shareholding and thus the relationship has not changed. 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 purposes of preparation of the consolidated financial statements. The Board of Directors believes that for the time being until the Indonesian legal process runs its course, a consolidated basis of financial reporting represents the present 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 for the time being 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, 12th July 2016

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 100, which comprise the consolidated statement of financial position as at 31st December 2015, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 of the Company 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

(a) Disagreement — control over PT First Media Tbk ("First Media")

As stated in Note 5(b) to the consolidated financial statements, 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 three Indonesian Receivers as receivers and curators of the Company, in bankruptcy (the

"Receivers"). However, as advised by the Company's lawyers, the Company has not been wound up in the Cayman Islands where it is incorporated or in Hong Kong where it has its Head Office and principal place of business. Therefore, the Company's board of directors continues to have authority to act for the Company outside Indonesia. There have been no significant developments regarding the Indonesian Bankruptcy Order since 2013.

The Company's investment in First Media is the principal asset of the Company located in Indonesia. Subsequent to the appointment of the Receivers, all assets of the Company including its shares in First Media are vested with the Receivers pursuant to the Indonesian Bankruptcy Law. As a result, the Company is not permitted to sell, transfer, pledge, dispose of or otherwise deal in any manner whatsoever with its assets without obtaining prior approval from the Receivers.

Notwithstanding the aforesaid, the board of directors considers that the Company is still appropriate to consolidate 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 filed a final appeal by way of a petition for judicial review against the decision of the Supreme Court of Indonesia (the "Judicial Review") on 2nd March 2016 which is pending for final determination. Based on the development of the proceedings as stated in Note 44 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 for purposes of preparation of the consolidated financial statements. In addition, First Media continues to recognise the Company as the parent in First Media's financial statements. In view of the above, the board of directors considers that the Company should for the time being consolidate First Media despite the Indonesian Bankruptcy Order and the appointment of the Receivers. There have been no significant developments since 2013.

Under International Financial Reporting Standard 10 "Consolidated Financial Statements" ("IFRS 10"), an investor with majority voting rights in an investee cannot have power if the relevant activities are subject to direction by a receiver. Under the Indonesian Bankruptcy Order, all of the Company's assets including its shares in First Media vest with the Receivers and the Company no longer has the power to deal in its assets without the approval of the Receivers. We consider that the Company no longer has power over First Media therefore. While the Company is entitled to make a final appeal against the Indonesian Bankruptcy Order, under IFRS 10 the Company's power over First Media would be reassessed if and when that appeal was successful. Accordingly, we are of the opinion that the Company has lost control over First Media upon the appointment of the Receivers on 5th March 2013. Consequently, First Media ceased to be the subsidiary of the Company with effect from the date of appointment of the Receivers. 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. However, the consolidated financial statements of the Company and its subsidiaries for the years ended 31st December 2014 and 2015 include the financial position of First Media Group as at 31st December 2014 and 2015 and the results of First Media Group for the years ended 31st December 2014 and 2015. Had First Media Group been deconsolidated, many elements in the consolidated financial statements of the Company and its subsidiaries would have been materially affected. The effects on the consolidated financial statements of the failure to deconsolidate First Media Group have not been determined and disclosed.

(b) Scope limitation — going concern

As disclosed in Note 2 to the consolidated financial statements, the Group incurred a loss of HK$830,680,000 for the year ended 31st December 2015 and as at 31st December 2015 the Group had net current liabilities of HK$1,356,741,000. Furthermore, there were pending garnishee and related proceedings in Hong Kong and Indonesia, details of which are disclosed in Note 44 to the consolidated financial statements.

Notwithstanding the aforesaid, the consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of the pending garnishee and related proceedings in Hong Kong and Indonesia which materially affects the Group's ability to secure adequate long term funding to meet its financial obligations as they fall due in the foreseeable future.

Pursuant to the Indonesian Bankruptcy Order, the Company has lost its right to control and manage its assets in Indonesia including its shares in First Media. The Company has filed a petition for Judicial Review to the Indonesian Supreme Court against the Indonesian Bankruptcy Order on 2nd March 2016 (Note 44). The petition is pending the final determination and decision of the Indonesian Supreme Court and the ultimate outcome is uncertain. Accordingly, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves that the Group will be able to continue as a going concern.

In view of the above, we are unable to determine whether the directors' use of the going concern assumption in preparing the consolidated financial statements is appropriate in the circumstances. Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively.

ADVERSE OPINION

In our opinion, because of the significance of the matters described above in the Basis for adverse opinion paragraph, the consolidated financial statements do not give a true and fair view of the financial position of the Company and its subsidiaries as at 31st December 2015, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

OTHER MATTERS

Had we not issued an adverse opinion, we would have issued a disclaimer of opinion in respect of a scope limitation on going concern as set out in part (b) of the Basis for adverse opinion.

RSM Hong Kong
Certified Public Accountants

Hong Kong

12th July 2016

Consolidated Statement of Profit or Loss

For the year ended 31st December 2015

	Note	2015 HK$'000	2014 HK$'000
Revenue	6	**2,063,948**	1,556,529
Cost of services rendered		**(1,121,313)**	(427,370)
Gross profit		**942,635**	1,129,159
Other income	7	**32,505**	63,547
Net foreign exchange losses		**(113,140)**	(3,586)
Selling and distribution costs		**(197,920)**	(101,342)
General and administrative expenses		**(1,300,041)**	(719,191)
(Loss)/profit from operations		**(635,961)**	368,587
Finance costs	9	**(183,906)**	(55,455)
Share of losses of associates		**(11,550)**	(28,279)
Loss on disposal of an associate		**—**	(2,845)
Gain on bargain purchase in respect of business combination	39(c)	**—**	6,000
Fair value gain/(loss) on derivative financial instruments	38	**16,478**	(18,691)
(Loss)/profit before tax		**(814,939)**	269,317
Income tax expense	10	**(15,741)**	(208,860)
(Loss)/profit for the year	11	**(830,680)**	60,457
Attributable to:			
Owners of the Company		**(278,504)**	(66,550)
Non-controlling interests		**(552,176)**	127,007
		(830,680)	60,457
Loss per share	15		
— basic (HK cents)		**(5.50)**	(1.31)
— diluted (HK cents)		**N/A**	N/A

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st December 2015

	Note	2015 HK$'000	2014 HK$'000
(Loss)/profit for the year		**(830,680)**	60,457
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement (losses)/gains on defined benefit pension plans	32	**(1,670)**	432
Income tax on item that will not be reclassified to profit or loss		**417**	—
		(1,253)	432
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(337,179)**	(102,150)
Fair value changes of available-for-sale financial assets		**5,880**	—
		(331,299)	(102,150)
Other comprehensive income for the year, net of tax		**(332,552)**	(101,718)
Total comprehensive income for the year		**(1,163,232)**	(41,261)
Attributable to:			
Owners of the Company		**(351,125)**	(96,803)
Non-controlling interests		**(812,107)**	55,542
		(1,163,232)	(41,261)

Consolidated Statement of Financial Position

As at 31st December 2015

	Note	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment	16	**3,402,540**	3,079,012
Investments in associates	18	**1,953**	14,671
Available-for-sale financial assets	19	**60,898**	61,493
Goodwill	20	**82,891**	92,658
Other intangible assets	21	**705,419**	1,029,111
Deferred tax assets	22	**425,893**	309,610
Non-current prepayments, deposits and receivables	23	**289,050**	447,429
		4,968,644	5,033,984
Current assets			
Inventories	24	**63,241**	—
Trade receivables	25	**162,695**	142,826
Due from a related company	26	**2**	2
Prepayments, deposits and other current assets	27	**468,054**	541,012
Bank and cash balances	28	**226,344**	421,303
		920,336	1,105,143
TOTAL ASSETS		**5,888,980**	6,139,127

Consolidated Statement of Financial Position

As at 31st December 2015

	Note	**2015** ***HK$'000***	2014 *HK$'000*
Capital and reserves			
Share capital	*29*	**50,646**	50,646
Reserves	*31*	**48,841**	384,151
Equity attributable to owners of the Company		**99,487**	434,797
Non-controlling interests		**2,208,977**	2,808,815
Total equity		**2,308,464**	3,243,612
Non-current liabilities			
Employees' benefits obligations	*32*	**74,785**	60,165
Interest-bearing borrowings	*33*	**788,993**	977,456
Finance lease payables	*34*	**179,134**	132,292
Due to related companies	*35*	**16,375**	18,305
Deferred tax liabilities	*22*	**244,152**	229,720
		1,303,439	1,417,938
Current liabilities			
Interest-bearing borrowings	*33*	**729,903**	345,753
Finance lease payables	*34*	**63,454**	15,222
Due to related companies	*35*	**4,000**	4,000
Trade payables	*36*	**666,143**	528,160
Receipts in advance		**3,839**	24,022
Other payables and accruals	*37*	**799,101**	504,854
Derivative financial liabilities	*38*	**—**	17,814
Current tax payable		**10,637**	37,752
		2,277,077	1,477,577
Total liabilities		**3,580,516**	2,895,515
TOTAL EQUITY AND LIABILITIES		**5,888,980**	6,139,127
Net current liabilities		**(1,356,741)**	(372,434)
Total assets less current liabilities		**3,611,903**	4,661,550

Approved by the Board of Directors on 12th July 2016 and are signed on its behalf by:

Albert Saychuan CHEOK
Director

Vicente Binalhay ANG
Director

Consolidated Statement of Changes in Equity

For the year ended 31st December 2015

	Attributable to owners of the Company							
	Issued capital	**Share premium account**	**Investment revaluation reserve**	**Translation reserve**	**(Accumulated losses)/retained profits**	**Total**	**Non-controlling interests**	**Total equity**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1st January 2014	50,646	414,318	—	(144,775)	(380,708)	(60,519)	987,303	926,784
(Loss)/profit for the year	—	—	—	—	(66,550)	(66,550)	127,007	60,457
Other comprehensive income for the year	—	—	—	(30,144)	(109)	(30,253)	(71,465)	(101,718)
Total comprehensive income for the year	—	—	—	(30,144)	(66,659)	(96,803)	55,542	(41,261)
Acquisition of subsidiaries (Note 39(c))	—	—	—	—	—	—	710,185	710,185
Disposal of partial interest in a subsidiary (Note 39(e))	—	—	—	—	604,176	604,176	1,079,924	1,684,100
Purchases of non-controlling interests (Note 39(e))	—	—	—	—	(12,057)	(12,057)	(14,818)	(26,875)
Dividends paid to non-controlling shareholders	—	—	—	—	—	—	(9,321)	(9,321)
Changes in equity for the year	—	—	—	(30,144)	525,460	495,316	1,821,512	2,316,828
At 31st December 2014 and 1st January 2015	50,646	414,318	—	(174,919)	144,752	434,797	2,808,815	3,243,612
Loss for the year	—	—	—	—	(278,504)	(278,504)	(552,176)	(830,680)
Other comprehensive income for the year	—	—	3,240	(76,235)	374	(72,621)	(259,931)	(332,552)
Total comprehensive income for the year	—	—	3,240	(76,235)	(278,130)	(351,125)	(812,107)	(1,163,232)
Capital contribution from non-controlling interests	—	—	—	—	—	—	62,715	62,715
Deemed disposal of partial interest in a subsidiary (Note 39(a))	—	—	—	—	9,218	9,218	45,523	54,741
Purchases of non-controlling interests (Note 39(b))	—	—	—	—	6,597	6,597	104,031	110,628
Changes in equity for the year	—	—	3,240	(76,235)	(262,315)	(335,310)	(599,838)	(935,148)
At 31st December 2015	50,646	414,318	3,240	(251,154)	(117,563)	99,487	2,208,977	2,308,464

Consolidated Statement of Cash Flows

For the year ended 31st December 2015

	Note	2015 HK$'000	2014 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		**(814,939)**	269,317
Adjustments for:			
Share of losses of associates		**11,550**	28,279
Finance costs		**183,906**	55,455
Interest income		**(10,725)**	(16,671)
Depreciation		**465,118**	294,922
Amortisation of other intangible assets		**269,308**	19,709
Impairment loss on property, plant and equipment		**1,439**	6,737
Allowance for impairment of receivables		**43,718**	28,089
(Gain)/loss on disposal of property, plant and equipment		**(1,368)**	18,459
Loss on disposal of an associate		**—**	2,845
Gain on bargain purchase in respect of business combination	*39(c)*	**—**	(6,000)
Fair value (gain)/loss on derivative financial instruments	*38*	**(16,478)**	18,691
Increase in employees' benefits obligations		**20,002**	11,402
Operating profit before working capital changes		**151,531**	731,234
Increase in inventories		**(63,241)**	—
Increase in trade receivables		**(63,587)**	(37,246)
Decrease in prepayments, deposits and other current assets		**231,337**	365,611
Increase/(decrease) in trade payables		**137,983**	(166,062)
Decrease in receipts in advance		**(20,183)**	(285,418)
Increase in other payables and accruals		**294,247**	58,008
Cash generated from operations		**668,087**	666,127
Income taxes paid		**(153,271)**	(101,856)
Net cash generated from operating activities		**514,816**	564,271

Consolidated Statement of Cash Flows

For the year ended 31st December 2015

	Note	2015 HK$'000	2014 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		**(944,327)**	(564,975)
Purchases of other intangible assets		**(46,779)**	(22,269)
Purchases of available-for-sale financial assets		**—**	(59,658)
Acquisition of subsidiaries	*39(c)*	**—**	(441,223)
Acquisition of remaining interests in an associate	*39(d)*	**—**	(3,051)
Proceeds from disposal of property, plant and equipment		**56,325**	2,558
Capital contribution to associates		**—**	(34,314)
Interest received		**10,725**	16,671
Net cash used in investing activities		**(924,056)**	(1,106,261)
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of non-controlling interests	*39(b), 39(e)*	**110,628**	(26,875)
Proceeds from disposal of partial interest in a subsidiary	*39(a), 39(e)*	**54,741**	1,200,095
Capital contribution from a non-controlling shareholders		**62,715**	—
Repayment of interest-bearing borrowings		**(224,493)**	(385,158)
Interest-bearing borrowings raised		**521,894**	125,493
Repayment of notes payable		**—**	(3,270)
Repayment of finance lease payables		**(132,950)**	(96,445)
Interest paid		**(183,906)**	(53,047)
Dividend paid to non-controlling shareholders		**—**	(9,321)
Net cash generated from financing activities		**208,629**	751,472
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(200,611)**	209,482
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**421,303**	250,886
Effect of foreign exchange rate changes		**5,652**	(39,065)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**226,344**	421,303
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank and cash balances		**226,344**	421,303

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 11th Floor, Kwan Chart Tower, 6 Tonnochy Road, Wanchai, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 17 to the consolidated financial statements. The Company and its subsidiaries are collectively referred to as "AcrossAsia Group".

In the opinion of the Directors, as at 31st December 2015, 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. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"). IFRSs comprise International Financial Reporting Standards ("IFRS"); International Accounting Standards ("IAS"); and Interpretations ("IFRIC"). These consolidated financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules").

AcrossAsia Group incurred a loss of HK$830,680,000 for the year ended 31st December 2015 and as at 31st December 2015 AcrossAsia Group had net current liabilities of HK$1,356,741,000. Furthermore, there were pending garnishee and related proceedings in Hong Kong and Indonesia, details of which are set out in Note 44 to the consolidated financial statements. These conditions indicate the existence of a material uncertainty which may cast significant doubt about AcrossAsia Group's ability to continue as a going concern and therefore that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

AcrossAsia Group continues to adopt the going concern basis in preparing its consolidated financial statements. The directors have given careful consideration to the current and anticipated future liquidity of AcrossAsia Group and the ability of AcrossAsia Group to attain profitable and positive cash flows from operations in immediate and long terms. The directors have prepared cash flow forecasts and based on these forecasts are of the opinion that AcrossAsia Group will be able to meet its financial obligations as they fall due in the foreseeable future. The directors also consider based on legal advice that while the final outcome of the garnishee and related proceedings is uncertain, those proceedings ultimately will not have a material impact on AcrossAsia Group's consolidated financial statements. Accordingly, the consolidated financial statements have been prepared on a going concern basis. Should AcrossAsia Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS AND REQUIREMENTS

(a) Application of new and revised IFRSs

In the current year, AcrossAsia Group has adopted all the new and revised IFRSs that are relevant to its operations and effective for its accounting year beginning on 1st January 2015.

Amendment to IAS 16 and IAS 38 (Annual Improvements to IFRSs 2010–2012 Cycle)

The amendment clarifies how the gross carrying amount and the accumulated depreciation/amortisation are treated where an entity uses the revaluation model. As AcrossAsia Group does not use the revaluation model, there was no effect on its consolidated financial statements.

Amendments to IAS 19, Defined Benefit Plans: Employee Contributions

The amendments clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In particular, contributions that are independent of the number of years of service can be recognised as a reduction in the service cost in the period in which the related service is rendered (instead of attributing them to the periods of service). As AcrossAsia Group has no post-employment benefit plans requiring employees or third parties to meet some of the cost of the plan, the amendments had no effect on AcrossAsia Group's consolidated financial statements.

Amendment to IAS 24 (Annual Improvements to IFRSs 2010–2012 Cycle)

The amendment clarifies how payments to entities providing key management personnel services are to be disclosed. This amendment had no effect on AcrossAsia Group's consolidated financial statements.

Amendment to IAS 40 (Annual Improvements to IFRSs 2011–2013 Cycle)

The amendment clarifies the application of IFRS 3 and IAS 40 in respect of acquisitions of investment property. IAS 40 assists preparers to distinguish between investment property and owner-occupied property, then IFRS 3 helps them to determine whether the acquisition of an investment property is a business combination. The amendment had no effect on AcrossAsia Group's consolidated financial statements.

Amendment to IFRS 3 (Annual Improvements to IFRSs 2011–2013 Cycle)

The amendment clarifies that IFRS 3 excludes from its scope the accounting for the formation of any joint arrangement in the financial statements of the joint arrangement itself. This had no effect on AcrossAsia Group's consolidated financial statements.

Amendment to IFRS 8 (Annual Improvements to IFRSs 2010–2012 Cycle)

The amendment requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, and clarifies that reconciliations of the total of the reportable segments' assets to the entity's assets are required only if the segment assets are reported regularly. These clarifications had no effect on AcrossAsia Group's consolidated financial statements.

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

(a) Application of new and revised IFRSs (Continued)

Amendment to IFRS 13 (Annual Improvements to IFRSs 2011–2013 Cycle)

The amendment clarifies that the portfolio exception in IFRS 13 — allowing an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis — applies to all contracts (including non-financial) within the scope of IAS 39/IFRS 9. This had no effect on AcrossAsia Group's consolidated financial statements.

(b) New and revised IFRSs in issue but not yet effective

AcrossAsia Group has not early applied new and revised IFRSs that have been issued but are not yet effective for the financial year beginning 1st January 2015. The directors anticipate that the new and revised IFRSs will be adopted in AcrossAsia Group's consolidated financial statements when they become effective. AcrossAsia Group is in the process of assessing, where applicable, the potential effect of all new and revised IFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised IFRSs would have a material impact on its results of operations and financial position.

List of new and revised IFRSs in issue that are not yet effective but relevant to AcrossAsia Group's operations

IFRS 9	Financial Instruments[1]
IFRS 15 and Clarifications to IFRS 15	Revenue from Contracts with Customers[1]
IFRS 16	Leases[3]
Amendments to IAS 1 and IAS 7	Disclosure Initiative[2]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
Amendments to IFRSs	Annual Improvements to IFRSs 2012–2014 Cycle[2]

1 Effective for annual periods beginning on or after 1st January 2018, with earlier application permitted.
2 Effective for annual periods beginning on or after 1st January 2016, with earlier application permitted.
3 Effective for annual periods beginning on or after 1st January 2019.

IFRS 9 Financial Instruments

IFRS 9 (2014) was issued as a complete standard including the requirements previously issued. The standard introduces a new approach to the classification of financial assets which is based on cash flow characteristics and the business model in which the asset is held. IFRS 9 also introduces a new expected-loss impairment model.

IFRS 15 and Clarifications to IFRS 15

IFRS 15 replaces all existing revenue standards and interpretations. IFRS 15 establishes the principles that an entity shall apply to report useful information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. Clarifications to IFRS 15 clarify how the underlying principles of the standard should be applied and include additional transition reliefs.

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

(b) New and revised IFRSs in issue but not yet effective (Continued)

IFRS 16 Leases

IFRS 16 replaces IAS 17 Leases and related interpretations. The new standard introduces a single accounting model for leases. For lessees the distinction between operating and finance leases is removed. IFRS 16 carries forward the accounting requirements for lessors in IAS 17.

(c) New Hong Kong Companies Ordinance (Cap. 622)

The requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) came into operation during the financial year. Although the Company is not incorporated in Hong Kong, the GEM Listing Rules require the Company to follow the disclosure requirements of the new Hong Kong Companies Ordinance. As a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

(d) Amendments to the GEM Listing Rules

The Stock Exchange in April 2015 released revised Chapter 18 of the GEM Listing Rules in relation to disclosure of financial information in annual reports that are applicable for accounting periods ending on or after 31st December 2015, with earlier application permitted. The Company has adopted the amendments resulting in changes to the presentation and disclosures of certain information in the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. certain financial instruments that are measured at fair value).

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying AcrossAsia Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 5.

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

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

When assessing control, AcrossAsia Group considers its potential voting rights as well as potential voting rights held by other parties. 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 and any related accumulated translation reserve relating to that subsidiary.

Intra-group 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.

(b) Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any 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 sum of the consideration transferred 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 sum of the consideration transferred is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Business combination and goodwill (Continued)

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 sum of the consideration transferred in a business combination to calculate the goodwill.

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.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs") or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within AcrossAsia Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(c) Associates

Associates are entities over which AcrossAsia Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions 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 the investment 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.

AcrossAsia Group's share of an associate's post-acquisition profits or losses and other comprehensive income is recognised in consolidated statement of profit or loss and other comprehensive income. When AcrossAsia Group's share of losses in an associate equals or exceeds its interest in the associate (which includes any long-term interests that, in substance, form part of AcrossAsia Group's net investment in the associate), 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Associates (Continued)

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 entire carrying amount of that associate (including goodwill) 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 value 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.

4. 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 for the period (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 other comprehensive income and accumulated in the translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain 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, including buildings and leasehold land (classified as finance leases), held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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%

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Property, plant and equipment (Continued)

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

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

AcrossAsia Group as lessee

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Leases (Continued)

AcrossAsia Group as lessor

(i) Operating leases

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(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 licences	6–10 years
Application software licences	3–8 years
Customer relationship	1 year
Trademark	3 years
TV channel brand name	5 years

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. Net realisable value is estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(j) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial assets 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.

AcrossAsia Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(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 that are not classified as loans and 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 and accumulated in the investment revaluation reserve, 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 reclassified from equity to profit or loss. Interest calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss.

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

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortised cost using the effective interest method (except for short-term receivables where interest is immaterial) minus any reduction for impairment or uncollectibility. Typically trade and other receivables, bank balances and cash are classified in this category.

(l) Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) 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.

(n) 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:

(o) 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.

(p) Trade and other payables

Trade and other payables are recognised 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.

(q) Equity instruments

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

(r) Derivative financial instruments

Derivatives are initially recognised and subsequently measured at fair value.

Changes in the fair value of derivatives are recognised in profit or loss as they arise.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(ii) subscription fees for fast speed broadband Internet, upon rendering of the access to the Internet and recognised on a straight-line basis over the applicable fixed period;

(iii) revenue from data communication services, which includes data communication services under post-paid and pre-paid payment arrangements. For pre-paid data communication services, revenue is recognised at the time the data is used. For post-paid data communication services, revenue is recognised over the contract period;

(iv) media sales, when the advertisement is placed in the channel and the theatres;

(v) sale of communication devices, when the communication devices are delivered to the customers or distributors.

(vi) ticket income, when the movie show is aired;

(vii) food and beverages income, when food and beverages are sold;

(viii) converter and fixed line broadband rental income, on a time-proportion basis;

(ix) interest income, on a time-proportion basis using the effective interest method; and

(x) dividend income, when the shareholders' rights to receive payment are established.

(t) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Employee benefits (Continued)

(ii) Pension obligations

The liability recognised in the consolidated 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 ("PUCM"). 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 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 include 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.

(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.

(u) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) 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 of items of income or expense that are taxable or deductible in other years and 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 consolidated 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 the 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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

(x) Impairment of financial assets

At the end of each reporting period, AcrossAsia Group assesses whether its financial assets (other than those at fair value through profit or loss) are impaired, based on objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the (group of) financial asset(s) have been affected.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered also to be objective evidence of impairment.

In addition, for trade receivables that are assessed not to be impaired individually, AcrossAsia Group assesses them collectively for impairment, based on AcrossAsia Group's past experience of collecting payments, an increase in the delayed payments in the portfolio, observable changes in economic conditions that correlate with default on receivables, etc.

Only for trade receivables, the carrying amount is reduced through the use of an allowance account and subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For all other financial assets, the carrying amount is directly reduced by the impairment loss.

For financial assets measured at amortised cost, if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed (either directly or by adjusting the allowance account for trade receivables) through profit or loss. However, the reversal must not result in a carrying amount that exceeds what the amortised cost of the financial asset would have been had the impairment not been recognised at the date the impairment is reversed.

For available-for-sale equity securities, an increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated in revaluation reserve; impairment losses are not reversed through profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) 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.

(z) 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 consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. 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 consolidated financial statements (apart from those involving estimations, which are dealt with below).

(a) Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of the pending garnishee and related proceedings in Hong Kong and Indonesia which materially affects the Group's ability to secure adequate long term funding to meet its financial obligations as they fall due in the foreseeable future. Details are explained in Note 2 to the consolidated financial statements.

(b) Basis of preparation of consolidated financial statements

As indicated in Note 4(a), the financial statements have been prepared on the consolidated basis. First Media 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 three Indonesian receivers as receivers and curators of the Company, in bankruptcy (the "Receivers"). However, as advised by the Company's lawyers, the Company has not been wound up in the Cayman Islands where it is incorporated or in Hong Kong where it has its Head Office and principal place of business. Therefore, the Company's Board of Directors continues to have authority to act for the Company outside Indonesia.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Critical judgements in applying accounting policies (Continued)

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

The Company's investment in First Media is the principal asset of the Company located in Indonesia. Subsequent to the appointment of the Receivers, all assets of the Company including its shares in First Media are vested with the Receivers by the operation of the Indonesian Bankruptcy Law. As a result, the Company is not permitted to sell, transfer, pledge, dispose of or otherwise deal with its assets in any manner whatsoever without first obtaining prior approval from the Receivers.

The Company's 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 filed a final appeal by way of a petition for judicial review against the decision of the Supreme Court of Indonesia (the "Judicial Review") on 2nd March 2016 which is pending for final determination. Based on the development of the proceedings as stated in Note 44 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 incapacitated the Company, the Board of Directors are of the view that until the due legal process in Indonesia has run its course, including the decision of the Judicial Review, it would be premature for the Company to deconsolidate First Media.

In addition, in the financial statements of First Media, First Media regards the Company as its parent company by reason of its shareholding and thus the relationship has not changed. 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 purposes of preparation of the consolidated financial statements. The Board of Directors believes that for the time being until the Indonesian legal process runs its course, a consolidated basis of financial reporting represents the present 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 for the time being to prepare the Company's financial statements on a consolidated basis pending final determination of all litigations in Hong Kong and Indonesia.

(c) Consolidation of entity with less than 50% equity interest holding

PT Link Net Tbk ("Link Net") is a 33.82% owned subsidiary of First Media. On 9th October 2014, First Media entered into a new cooperation agreement ("Cooperation Agreement") with the other shareholder of Link Net, Asia Link Dewa Pte Ltd ("ALD"). At 31st December 2015, ALD's equity interests in Link Net was 33.45% (2014: 33.45%). Pursuant to the Cooperation Agreement, First Media can direct ALD on the appointment of directors and commissioners to the Board of Directors and Board of Commissioners of Link Net respectively, and their decisions.

In view of the above, the Board of Directors considers that it would still be appropriate to treat Link Net as a subsidiary and consolidate the financial statements of Link Net in the Company's financial statements.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Critical judgements in applying accounting policies (Continued)

(d) 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.

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.

The carrying amount of property, plant and equipment as at 31st December 2015 was HK$3,402,540,000 (2014: HK$3,079,012,000).

(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.

During the year, income tax of HK$15,741,000 (2014: HK$208,860,000) was charged to profit or loss.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(c) Impairment loss for bad and doubtful debts

AcrossAsia Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts, in particular of a loss event, requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

As at 31st December 2015, accumulated impairment loss for bad and doubtful debts amounted to HK$35,285,000 (2014: HK$32,928,000).

(d) Allowance for slow-moving inventories

Allowance for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed. Allowance for slow-moving inventories of HK$31,034,000 was made for the year ended 31st December 2015 (2014: nil).

(e) Actuarial assumptions on defined benefit retirement plans

Accounting for defined benefit plans may be complex because actuarial assumptions are required to measure the obligation and the expense, with the possibility that actual results differ from the assumed results. These differences are known as actuarial gains and losses. Defined benefits obligations are measured using the PUCM, according to which AcrossAsia Group has to make a reliable estimate of the amount of benefits earned in return for services rendered in current and prior periods, using actuarial techniques. As a result, the use of the PUCM involves a number of actuarial assumptions. These assumptions include demographic assumptions such as mortality, turnover and retirement age and financial assumptions such as discount rates, salary and benefit levels. Such assumptions are subject to judgements and may develop materially differently than expected and therefore may result in significant impacts on defined benefit obligations.

The carrying amount of retirement benefit obligations as at 31st December 2015 was HK$74,785,000 (2014: HK$60,165,000).

6. REVENUE

	2015 HK$'000	2014 HK$'000
Subscription fees for cable television	**541,549**	519,511
Subscription fees for fast speed broadband Internet	**652,111**	615,473
Data communication services	**500,354**	313,512
Media sales	**79,811**	60,033
Sale of communication devices	**91,256**	—
Ticket income	**59,336**	—
Food and beverages	**22,758**	—
Others	**116,773**	48,000
	2,063,948	1,556,529

7. OTHER INCOME

	2015 HK$'000	2014 HK$'000
Interest income	**10,725**	16,671
Leasing income from network assets	**—**	39,381
Gain on disposal of property, plant and equipment	**1,368**	—
Others	**20,412**	7,495
	32,505	63,547

8. SEGMENT INFORMATION

AcrossAsia Group has four operating segments as follows:

Multimedia services and broadband network services	—	provision of multimedia distribution and broadband internet services
Broadband wireless services	—	provision of broadband wireless services
Cinema services	—	provision of film and video recording and cinema services
Others	—	provision of telecommunication services

AcrossAsia Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

AcrossAsia Group's other operating segments include the provision of telecommunication services. None of these segments meets any of the quantitative thresholds for determining reportable segments. The information of these other operating segments is included in the "others" column.

The accounting policies of the operating segments are the same as those described in Note 4 to the consolidated financial statements. Segment profits or losses do not include share of losses of associates, loss on disposal of an associate, fair value gain/loss on derivative financial instruments, other income, finance costs and corporate administrative expenses. Segment assets do not include investments in associates, available-for-sale financial assets, derivative financial assets and corporate assets for general administrative use. Segment liabilities do not include derivative financial liabilities, and corporate liabilities which are managed on a central basis. Segment non-current assets do not include financial instruments and deferred tax assets.

AcrossAsia Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

8. SEGMENT INFORMATION (Continued)

Information about reportable segments' profit or loss, assets and liabilities:

	Multimedia services and broadband network services *HK$'000*	Broadband wireless services *HK$'000*	Cinema services *HK$'000*	Others *HK$'000*	Total *HK$'000*
Year ended 31st December 2015					
Revenue from external customers	1,451,446	427,862	101,956	82,684	2,063,948
Intersegment revenue	26,146	209,705	—	2,089	237,940
Segment profit/(loss)	350,077	(952,150)	(52,849)	(7,063)	(661,985)
Interest revenue	8,576	1,659	262	223	10,720
Depreciation and amortisation	296,803	411,046	17,524	9,180	734,553
Income tax expense/(credit)	124,882	(93,263)	(14,209)	(1,959)	15,451
Other material non-cash items:					
Impairment loss on receivables	41,689	1,140	—	889	43,718
Impairment loss on property, plant and equipment	—	1,439	—	—	1,439
Additions to segment non-current assets	747,040	197,296	310,952	2,803	1,258,091
As at 31st December 2015					
Segment assets	2,433,667	2,790,806	434,900	150,923	5,810,296
Segment liabilities	374,182	2,442,905	364,634	123,385	3,305,106

8. SEGMENT INFORMATION (Continued)

Information about reportable segments' profit or loss, assets and liabilities: (Continued)

	Multimedia services and broadband network services HK$'000	Broadband wireless services HK$'000	Cinema services HK$'000	Others HK$'000	Total HK$'000
Year ended 31st December 2014					
Revenue from external customers	1,374,290	136,898	—	45,341	1,556,529
Intersegment revenue	21,788	31,031	—	10,052	62,871
Segment profit/(loss)	375,552	(232,192)	—	(16,213)	127,147
Interest revenue	11,507	4,971	—	181	16,659
Depreciation and amortisation	257,136	52,086	—	5,541	314,763
Income tax expense/(credit)	129,425	84,665	—	(5,222)	208,868
Other material non-cash items:					
Impairment loss on receivables	27,481	—	—	608	28,089
Impairment loss on property, plant and equipment	—	6,737	—	—	6,737
Gain on bargain purchase in respect of business combination	—	6,000	—	—	6,000
Additions to segment non-current assets	588,228	124,955	—	14,085	727,268
As at 31st December 2014					
Segment assets	2,244,187	3,522,714	185,671	71,776	6,024,348
Segment liabilities	437,668	1,989,995	128,854	39,683	2,596,200

8. SEGMENT INFORMATION (Continued)

Reconciliations of reportable segments' revenue and profit or loss:

	2015 *HK$'000*	2014 *HK$'000*
Revenue		
Total revenue of reportable segments	**2,301,888**	1,619,400
Elimination of intersegment revenue	**(237,940)**	(62,871)
Consolidated revenue	**2,063,948**	1,556,529
Profit or loss		
Total profit or loss of reportable segments	**(661,985)**	127,147
Share of losses of associates	**(11,550)**	(28,279)
Loss on disposal of an associate	**—**	(2,845)
Fair value gain/(loss) on derivative financial instruments	**16,478**	(18,691)
Other income	**32,505**	63,547
Finance costs	**(183,906)**	(55,455)
Corporate administrative expenses	**(22,222)**	(24,967)
Consolidated (loss)/profit for the year	**(830,680)**	60,457
Reconciliations of reportable segments' assets and liabilities:		
Assets		
Total assets of reportable segments	**5,810,296**	6,024,348
Investments in associates	**1,953**	14,671
Available-for-sale financial assets	**60,898**	61,493
Corporate assets for general administrative use	**15,833**	38,615
Consolidated total assets	**5,888,980**	6,139,127
Liabilities		
Total liabilities of reportable segments	**3,305,106**	2,596,200
Derivative financial liabilities	**—**	17,814
Corporate liabilities	**275,410**	281,501
Consolidated total liabilities	**3,580,516**	2,895,515

Geographical information

All the revenue generated by AcrossAsia Group for the two years ended 31st December 2015 and 2014 was attributable to customers based in Indonesia. In addition, the majority of AcrossAsia Group's non-current assets are located in Indonesia. Accordingly, no geographical analysis is presented.

8. SEGMENT INFORMATION (Continued)

Revenue from major customers

None of AcrossAsia Group's customers contributed 10% or more of AcrossAsia Group's revenue during the year ended 31st December 2015. Revenue from one customer of AcrossAsia Group's broadband wireless services segment represented HK$167,408,000 of AcrossAsia Group's total revenue for the year ended 31st December 2014.

9. FINANCE COSTS

	2015 ***HK$'000***	2014 *HK$'000*
Interest on:		
Bank loans and overdrafts	**126,717**	21,521
Other borrowings wholly repayable within five years	**35,366**	6,145
Finance lease payables	**21,823**	25,381
Bond payable	**—**	2,408
	183,906	55,455

10. INCOME TAX EXPENSE

	2015 ***HK$'000***	2014 *HK$'000*
Current tax — Overseas		
Provision for the year	**129,349**	128,183
Deferred tax (Note 22)	**(113,608)**	80,677
Income tax expense	**15,741**	208,860

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 (2014: 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% (2014: 25%) of the individual entities' respective assessable profits in accordance with Indonesian income tax law.

10. INCOME TAX EXPENSE (Continued)

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

	2015 %	2014 %
Indonesian income tax rate	**25**	25
Deferred tax not recognised	**(22)**	44
Non-deductible items	**(6)**	11
Non-taxable items	**1**	(2)
Effective tax rate	**(2)**	78

11. (LOSS)/PROFIT FOR THE YEAR

AcrossAsia Group's (loss)/profit for the year is stated after charging/(crediting) the following:

	2015 *HK$'000*	2014 *HK$'000*
Amortisation of other intangible assets (Note (a))	**269,308**	19,709
Acquisition-related costs (Note (b))	**—**	477
Cost of inventories sold	**189,337**	—
Depreciation of property, plant and equipment	**465,118**	294,922
(Gain)/loss on disposals of property, plant and equipment	**(1,368)**	18,459
Impairment loss on property, plant and equipment (Note (b))	**1,439**	6,737
Operating lease charges for land and buildings	**29,682**	17,638
Allowance for inventories (included in cost of inventories sold)	**31,034**	—
Impairment loss on receivables	**43,718**	28,089
Auditors' remuneration		
Company	**750**	735
Its subsidiaries	**709**	712
	1,459	1,447

Notes:

(a) Amortisation of other intangible assets of HK$91,886,000 (2014: HK$8,392,000) and HK$177,422,000 (2014: HK$11,317,000) were included in "Cost of services rendered" and "general and administrative expenses" respectively on the face of the consolidated statement of profit or loss.

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

12. EMPLOYEE BENEFITS EXPENSE, INCLUDING DIRECTORS' EMOLUMENTS

	2015 HK$'000	2014 HK$'000
Employee benefits expense:		
Salaries, bonuses and allowances	342,662	207,145
Provision for employees' benefit obligation	21,346	16,022
	364,008	223,167

(a) Five highest paid employees

The emoluments of the 5 (2014: 5) highest paid employees are set out below.

	2015 HK$'000	2014 HK$'000
Basic salaries and allowances	10,361	9,124
Discretionary bonus	3,714	3,371
	14,075	12,495

The emoluments fell within the following bands:

	Number of employees 2015	 2014
HK$1,000,001 to HK$1,500,000	—	1
HK$1,500,001 to HK$2,000,000	2	2
HK$3,000,001 to HK$3,500,000	1	1
HK$3,500,001 to HK$4,000,000	2	—
HK$4,000,001 to HK$4,500,000	—	1
	5	5

13. DIRECTORS' EMOLUMENTS

The remuneration of every Director is as follows:

	Fees		Salaries		Travel allowance		Total	
	2015 HK$'000	2014 HK$'000	2015 HK$'000	2014 HK$'000	2015 HK$'000	2014 HK$'000	2015 HK$'000	2014 HK$'000
Executive Director								
Mr. Vicente Binalhay Ang	11	11	670	558	—	—	681	569
Independent non-executive Directors								
Mr. Albert Saychuan CHEOK	678	625	—	—	—	—	678	625
Dr. Boh Soon LIM	360	331	—	—	—	—	360	331
Mr. Thomas Yee Man LAW	362	334	—	—	160	—	522	334
	1,411	1,301	670	558	160	—	2,241	1,859

Neither the chief executive nor any of the directors waived any emoluments during the year (2014: Nil).

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$278,504,000 (2014: HK$66,550,000) and 5,064,615,385 (2014: 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 2015 and 2014.

16. PROPERTY, PLANT AND EQUIPMENT

	Land use rights and buildings HK$'000	Building renovations and leasehold improve-ments HK$'000	Office furniture, fixtures and equipment HK$'000	Distribution network HK$'000	Construction in progress HK$'000	Equipment for rent HK$'000	Vehicles HK$'000	Total HK$'000
Cost								
At 1st January 2014	90,867	23,883	265,929	1,870,079	50,791	456,806	2,258	2,760,613
Acquisition of subsidiaries (Note 39(c))	—	54,361	720,492	108,665	81,660	102,831	302	1,068,311
Acquisition of remaining interests in an associate (Note 39(d))	—	2,391	42	—	—	459	—	2,892
Additions	7,852	5,432	35,054	250,623	144,097	142,287	—	585,345
Disposals	—	(280)	(24,960)	(335,648)	(861)	(94,160)	(690)	(456,599)
Reclassification	—	(499)	96,732	3,148	(4,616)	(94,765)	—	—
Translation differences	(2,109)	(729)	(10,125)	(31,967)	(7,481)	(6,567)	(10)	(58,988)
At 31st December 2014 and 1st January 2015	96,610	84,559	1,083,164	1,864,900	263,590	506,891	1,860	3,901,574
Additions	10,730	49,357	146,826	437,075	210,920	336,530	227	1,191,665
Disposals	—	(6,975)	(81,800)	—	(17,115)	(872)	(105)	(106,867)
Reclassification	—	82,985	101,431	—	(195,326)	10,910	—	—
Translation differences	(10,537)	(13,038)	(119,654)	(210,970)	(27,737)	(64,837)	(200)	(446,973)
At 31st December 2015	96,803	196,888	1,129,967	2,091,005	234,332	788,622	1,782	4,539,399
Accumulated depreciation and impairment losses								
At 1st January 2014	17,759	17,461	129,663	610,538	—	192,266	1,076	968,763
Charge for the year	6,495	3,724	38,142	153,974	—	92,361	226	294,922
Impairment loss	—	—	6,737	—	—	—	—	6,737
Disposals	—	(93)	(5,507)	(335,648)	—	(94,123)	(211)	(435,582)
Reclassification	—	—	16,656	786	—	(17,442)	—	—
Translation differences	(645)	(505)	(5,129)	(3,198)	—	(2,780)	(21)	(12,278)
At 31st December 2014 and 1st January 2015	23,609	20,587	180,562	426,452	—	170,282	1,070	822,562
Charge for the year	6,377	9,884	155,433	110,892	—	182,292	240	465,118
Impairment loss	—	—	1,439	—	—	—	—	1,439
Disposals	—	(113)	(51,157)	—	—	(535)	(105)	(51,910)
Reclassification	—	—	3,628	—	—	(3,628)	—	—
Translation differences	(2,700)	(2,491)	(22,629)	(48,603)	—	(23,810)	(117)	(100,350)
At 31st December 2015	27,286	27,867	267,276	488,741	—	324,601	1,088	1,136,859
Carrying amount								
At 31st December 2015	69,517	169,021	862,691	1,602,264	234,332	464,021	694	3,402,540
At 31st December 2014	73,001	63,972	902,602	1,438,448	263,590	336,609	790	3,079,012

AcrossAsia Group carried out a review of the recoverable amount of its property, plant and equipment in 2014 and 2015, having regard to the obsolescence of certain telecommunication equipment. The review led to the recognition of a full impairment loss of HK$1,439,000 (2014: HK$6,737,000) in relation to certain technically obsolete equipment belonging to the broadband wireless services CGU, that has been recognised in profit or loss.

At 31st December 2015 the carrying amount of property, plant and equipment held by AcrossAsia Group under finance leases amounted to HK$168,479,000 (2014: HK$143,801,000).

At 31st December 2015 the carrying amount of property, plant and equipment pledged as security for AcrossAsia Group's interest-bearing borrowings as set out in Note 33 to the consolidated financial statements amounted to HK$222,378,000 (2014: HK$267,946,000).

17. INVESTMENTS IN SUBSIDIARIES

Particulars of the principal subsidiaries as at 31st December 2015 are as follows:

Name	Place of incorporation and operation	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company 2015 Direct	2015 Indirect (Note (d))	2014 Direct	2014 Indirect	Principal activities
First Media (Note (a))	Indonesia	Rp871,083,953,500	**55.1**	**—**	55.1	—	Operation of broadband communication network
Link Net (Notes (a) and (b))	Indonesia	Rp304,264,938,400	**—**	**18.6**	—	18.6	Provider of the fixed local packet- switched based network and internet service provider
PT AsiaNet Multimedia	Indonesia	US$1,333,333	**95.0**	**—**	95.0	—	Investment holding
PT Cinemaxx Global Pasifik ("Cinemaxx")	Indonesia	Rp245,000,000,000 (2014: Rp100,000,000,000)	**—**	**28.1**	—	41.3	Film and video recording and cinema services
PT Daya Sarana Mantap	Indonesia	Rp250,000,000	**—**	**55.1**	—	—	Trading
PT Delta Nusantara Networks ("DNN")	Indonesia	Rp300,000,000	**—**	**55.1**	—	55.1	Internet service provider
PT First Media News	Indonesia	Rp125,790,000,000	**—**	**55.1**	—	55.1	Film and video recording
PT First Media Production	Indonesia	Rp24,000,000,000	**—**	**55.1**	—	55.1	Film and video recording
PT First Media Television ("FMTV")	Indonesia	Rp3,125,000,000	**—**	**18.6**	—	44.1	Subscription broadcasting
PT Internux ("Internux")	Indonesia	Rp1,705,647,030,000 (2014: Rp726,472,030,000)	**—**	**26.7**	—	21.7	Internet service provider
PT Jaring Data Interaktif	Indonesia	Rp35,000,000,000	**—**	**55.1**	—	55.1	Broadcasting
PT Lynx Mitra Asia ("Lynx")	Indonesia	Rp2,750,000,000	**—**	**31.4**	—	31.4	Telecommunication
PT Media Sinema Indonesia ("MSI")	Indonesia	Rp6,791,860,492 (2014: Rp5,591,860,492)	**—**	**55.1**	—	55.1	Film and video recording
PT Mitra Mandiri Mantap ("MMM")	Indonesia	Rp3,229,000,000	**—**	**38.0**	—	38.0	Trading
PT MSH Niaga Telecom Indonesia ("MSH")	Indonesia	Rp6,250,000,000	**—**	**55.1**	—	55.1	Calling card services
PT Prima Wira Utama ("PWU")	Indonesia	Rp10,000,000,000	**—**	**55.1**	—	55.1	Trading

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

Notes:

(a) First Media and Link Net are listed on the Indonesian Stock Exchange.

(b) Link Net is treated as a subsidiary because First Media has existing rights that give it the power to direct Link Net's relevant activities under the Cooperation Agreement.

(c) None of the subsidiaries had any loan capital in issue at any time during the year ended 31st December 2015 (2014: Nil).

(d) All of these subsidiaries are directly or indirectly held by First Media.

17. INVESTMENTS IN SUBSIDIARIES (Continued)

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

Name	First Media		Link Net	
	2015	2014	**2015**	2014
Principal place of business and country of incorporation	Indonesia		Indonesia	
% of ownership interests and voting rights held by NCI	**44.9%**	44.9%	**66.18%**	66.18%
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
At 31st December:				
Non-current assets	**3,151,244**	3,309,835	**2,184,421**	1,972,852
Current assets	**672,166**	921,070	**288,742**	358,121
Non-current liabilities	**(1,180,875)**	(1,318,901)	**(68,523)**	(97,679)
Current liabilities	**(1,739,639)**	(927,203)	**(361,006)**	(343,457)
Net assets	**902,896**	1,984,801	**2,043,634**	1,889,837
Accumulated NCI	**549,759**	1,282,488	**1,662,905**	1,537,760
Year ended 31st December				
Revenue	**612,503**	171,162	**1,477,592**	1,396,078
(Loss)/profit	**(1,140,215)**	277,877	**368,502**	364,958
Total comprehensive income	**(1,131,892)**	(278,397)	**364,807**	365,910
(Loss)/profit allocated to NCI	**(835,591)**	(124,767)	**299,833**	263,522
Dividends paid to NCI	**—**	9,321	**—**	—
Net cash (used in)/generated from operating activities	**(580,236)**	26,102	**680,905**	750,721
Net cash (used in)/generated from investing activities	**(176,185)**	112,049	**(649,753)**	(657,303)
Net cash generated from/(used in) financing activities	**624,855**	(66,374)	**(60,290)**	(101,921)
Net (decrease)/increase in cash and cash equivalents	**(131,566)**	71,777	**(29,138)**	(8,503)

18. INVESTMENTS IN ASSOCIATES

	2015 HK$'000	2014 HK$'000
Unlisted investments:		
Share of net assets	**1,953**	14,602
Goodwill	**—**	69
	1,953	14,671

Details of AcrossAsia Group's associates as at 31st December 2015 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
			2015		2014		
			Direct	Indirect	Direct	Indirect	
PT Bina Mahasiswa Indonesia	Indonesia	Rp5,000,000,000	**—**	**24.8%**	—	24.8%	Operation of students' sports activities
PT Indonesia Media Televisi ("IMTV") (Note)	Indonesia	Rp500,000,000,000	**—**	**2.8%**	—	2.8%	Operation of satellite television channels

Note: Although AcrossAsia Group holds less than 20% of the equity shares of IMTV, 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 IMTV.

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.

	2015 HK$'000	2014 HK$'000
At 31st December:		
Carrying amounts of interests	**1,953**	14,671
Year ended 31st December:		
Loss for the year	**(11,550)**	28,279
Other comprehensive income	**—**	—
Total comprehensive income	**(11,550)**	28,279

AcrossAsia Group has not recognised loss for the year amounting to HK$18,084,000 (2014: HK$Nil) for IMTV. The accumulated losses not recognised were HK$18,084,000 (2014: HK$Nil).

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2015 *HK$'000*	2014 *HK$'000*
Listed equity securities, at fair value	**58,098**	58,363
Unlisted equity securities, at cost	**8,620**	9,635
Less: Impairment losses	**(5,820)**	(6,505)
	2,800	3,130
	60,898	61,493
Analysed as:		
Current assets	**—**	—
Non-current assets	**60,898**	61,493
	60,898	61,493

The fair values of listed equity securities are based on current bid prices. Unlisted equity securities with carrying amount of HK$2,800,000 (2014: HK$3,130,000) are carried at cost as they do not have a quoted market price in an active market and their fair value cannot be reliably measured.

Available-for-sale financial assets are denominated in Indonesian Rupiah.

None of these financial assets is either past due or impaired.

20. GOODWILL

	2015 HK$'000	2014 HK$'000
Cost		
At 1st January	95,558	2,956
Acquisition of subsidiaries (Note 39(c))	—	89,384
Acquisition of remaining interests in an associate (Note 39(d))	—	3,428
Translation differences	(10,074)	(210)
At 31st December	85,484	95,558
Accumulated impairment losses		
At 1st January	2,900	2,956
Translation differences	(307)	(56)
At 31st December	2,593	2,900
Carrying amount		
At 31st December	82,891	92,658

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	2015 HK$'000	2014 HK$'000
Provision of broadband wireless services:		
MMM (Note (a))	63,366	70,833
Provision of film and video recording and telecommunication services:		
Cinemaxx (Note (b))	14,695	16,427
Lynx	1,817	2,031
PWU	16	18
DNN	2,997	3,349
	82,891	92,658

20. GOODWILL (Continued)

Notes:

(a) The recoverable amount of the provision of broadband wireless services CGU is determined on the basis of its value in use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rate, growth rate, budgeted gross margin and revenue during the period. AcrossAsia Group estimates discount rate using pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the CGU. The growth rate is based on long-term average economic growth rate of the geographical area in which the business of the CGU operates. Budgeted gross margin and revenue are based on past practices and expectations on market development.

AcrossAsia Group prepares cash flow forecasts derived from the most recent financial budgets approved by the Directors for the next five (2014: five) years with the residual period using terminal value growth rate of 2% (2014: 2%). The rate used to discount the forecast cash flows from AcrossAsia Group's activities of provision of broadband wireless services is 20.5% (2014: 21.5%).

(b) The recoverable amount of the provision of film and video recording and telecommunication services CGU is determined from fair value less costs of disposal using the market-based approach calculated based on the median market value to book value of invested capital ratio and median price to book ratio of several companies with stocks or share interests trading in a public market (the "comparables") after considering a 30% discount on lack of marketability for the controlling interests. The fair value is within level 3 of the fair value hierarchy.

Key unobservable inputs used in the fair value measurements are mainly as below:

Description	Valuation technique	Unobservable inputs	Value
Business enterprise value of Cinemaxx	Market comparable approach	Median market value to book value of invested capital ratio	1.81
		Median price to book ratio	2.16
		Discount for lack of marketability	30.0%

As at 31st December 2014, the recoverable amount of the provision of film and video recording and telecommunication services CGU is determined on the bases of its value in use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rate, growth rate, budgeted gross margin and revenue during the period. AcrossAsia Group estimates discount rate using pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the CGU. The growth rate is based on long-term average economic growth rate of the geographical area in which the business of the CGU operates. Budgeted gross margin and revenue are based on past practices and expectations on market development.

AcrossAsia Group prepares cash flow forecasts derived from the most recent financial budgets approved by the Directors for the next five years with the residual period using terminal value growth rate of 0%. The rate used to discount the forecast cash flows from AcrossAsia Group's activities of provision of film and video recording and telecommunication services is 24.9%.

21. OTHER INTANGIBLE ASSETS

	TV channel brand name	Wireless broadband licences	Application software licences	Customer relationship	Trademark	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost						
At 1st January 2014	5,547	81,547	38,586	—	—	125,680
Acquisition of subsidiaries (Note 39(c))	—	662,288	3,227	53,508	235,864	954,887
Additions	—	—	22,269	—	—	22,269
Translation differences	(106)	(1,562)	(1,784)	—	—	(3,452)
At 31st December 2014 and 1st January 2015	5,441	742,273	62,298	53,508	235,864	1,099,384
Additions	—	—	20,971	25,808	—	46,779
Translation differences	(574)	(78,247)	(7,257)	(6,490)	(24,864)	(117,432)
At 31st December 2015	4,867	664,026	76,012	72,826	211,000	1,028,731
Accumulated amortisation and impairment						
At 1st January 2014	5,547	33,594	13,353	—	—	52,494
Amortisation for the year	—	8,392	11,317	—	—	19,709
Translation differences	(106)	(1,037)	(787)	—	—	(1,930)
At 31st December 2014 and 1st January 2015	5,441	40,949	23,883	—	—	70,273
Amortisation for the year	—	123,280	10,365	62,937	72,726	269,308
Translation differences	(574)	(8,372)	(2,859)	(2,071)	(2,393)	(16,269)
At 31st December 2015	4,867	155,857	31,389	60,866	70,333	323,312
Carrying amount						
At 31st December 2015	—	508,169	44,623	11,960	140,667	705,419
At 31st December 2014	—	701,324	38,415	53,508	235,864	1,029,111

The weighted average remaining amortisation period of the wireless broadband licence and application software licences is 4.8 (2014: 5.7) and 3.2 (2014: 3.2) years respectively. The average remaining amortisation period of the customer relationship and trademark is 1 (2014: 3) and 2 (2014: 3) years respectively.

22. DEFERRED TAX

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

	Property, plant and equipment	Other intangible assets	Allowance for impairment of receivables	Allowance for inventories	Tax losses	Employees' benefit obligations	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1st January 2014	3,808	—	7,792	—	118,456	10,112	(530)	139,638
Acquisition of subsidiaries (Note 39(c))	(62,502)	(207,459)	68	—	290,020	1,784	(2,095)	19,816
(Charge)/credit to profit or loss for the year (Note 10)	(2,102)	—	334	—	(82,277)	2,860	508	(80,677)
Translation differences	24	—	(165)	—	1,595	(328)	(13)	1,113
At 31st December 2014 and 1st January 2015	(60,772)	(207,459)	8,029	—	327,794	14,428	(2,130)	79,890
Credit to other comprehensive income for the year	—	—	—	—	—	417	—	417
(Charge)/credit to profit or loss for the year (Note 10)	(2,306)	5,260	3,965	7,759	99,222	5,030	(5,322)	113,608
Translation differences	6,482	21,696	(974)	(256)	(37,821)	(1,700)	399	(12,174)
At 31st December 2015	(56,596)	(180,503)	11,020	7,503	389,195	18,175	(7,053)	181,741

The following is the analysis of the deferred tax balances (after offset) for consolidated statement of financial position purposes:

	2015	2014
	HK$'000	*HK$'000*
Deferred tax assets	**425,893**	309,610
Deferred tax liabilities	**(244,152)**	(229,720)
	181,741	79,890

Deferred tax asset has been recognised in respect of tax losses of HK$1,556,780,000 (2014: HK$1,311,176,000), in which deferred tax assets amounted to HK$8,555,000 (2014: HK$4,355,000) are expected to realise in the next accounting year.

23. NON-CURRENT PREPAYMENTS, DEPOSITS AND RECEIVABLES

	2015 HK$'000	2014 HK$'000
Rental and other deposits	40,271	37,860
Prepaid rental for communication system	57,174	71,013
Prepaid license fees	76,046	121,920
Advance payments for acquisition of property, plant and equipment	100,528	203,827
Loans to employees (Note (a))	220	326
Prepaid expenses and others	2,417	2,188
	276,656	437,134
Derivative financial assets		
— Foreign currency forward contracts (Note (b))	12,394	10,295
	289,050	447,429

Notes:

(a) The loans to employees are unsecured and interest-free.

(b) The carrying amounts of the foreign currency forward contracts are the same as their fair values. The above transactions involving derivative financial instruments are conducted with creditworthy financial institutions.

During the year, AcrossAsia Group entered into various foreign currency forward contracts to manage its exchange rate exposures. These foreign currency foreign contracts are not designated for hedging purposes and are measured at fair value through profit or loss.

24. INVENTORIES

	2015 HK$'000	2014 HK$'000
Finished goods:		
Communication devices	58,339	—
Others	4,902	—
	63,241	—

25. 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.

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

	2015	2014
	HK$'000	*HK$'000*
1 to 30 days	**59,465**	77,530
31 to 60 days	**40,384**	24,031
61 to 90 days	**12,696**	4,479
More than 90 days	**50,150**	36,786
	162,695	142,826

As at 31st December 2015, an impairment loss of approximately HK$35,285,000 (2014: HK$32,928,000) was made for estimated irrecoverable trade receivables.

Reconciliation of impairment loss on trade receivables:

	2015	2014
	HK$'000	*HK$'000*
At 1st January	**32,928**	31,682
Allowance for the year	**43,718**	28,089
Amounts written off	**(37,691)**	(26,144)
Translation differences	**(3,670)**	(699)
At 31st December	**35,285**	32,928

25. TRADE RECEIVABLES (Continued)

At 31st December 2015, trade receivables of HK$81,753,000 (2014: HK$41,246,000) 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:

	2015	2014
	HK$'000	*HK$'000*
31 to 60 days	**18,907**	—
61 to 90 days	**12,696**	4,479
More than 90 days	**50,150**	36,767
	81,753	41,246

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

	2015	2014
	HK$'000	*HK$'000*
Indonesian Rupiah	**151,096**	142,826
United States dollar ("US$")	**11,599**	—
	162,695	142,826

At 31st December 2015, 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 HK$5,940,000 (2014: HK$10,151,000). These balances are unsecured, interest-free and are repayable principally in accordance with normal trading terms.

At 31st December 2015, trade receivables of HK$110,257,000 (2014: HK$42,254,000) were pledged to banks to secure interest-bearing borrowings as set out in Note 33 to the consolidated financial statements.

26. DUE FROM A RELATED COMPANY

The amount due from a related company is unsecured, interest-free and has no fixed terms of repayment.

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

27. PREPAYMENTS, DEPOSITS AND OTHER CURRENT ASSETS

	2015	2014
	HK$'000	*HK$'000*
Prepaid annual license fees	**46,183**	165,093
Prepaid operating expenses	**80,958**	65,683
Prepaid taxes	**191,811**	172,196
Other receivables	**149,102**	138,040
	468,054	541,012

28. BANK AND CASH BALANCES

Bank deposits earn interest at floating rates based on prevailing short term deposit rates. 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 2015, the bank and cash balances of AcrossAsia Group denominated in Indonesian Rupiah amounted to HK$165,269,000 (2014: HK$365,087,000).

At 31st December 2015, bank and cash balances of AcrossAsia Group HK$149,000 (2014: HK$164,000) 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 44 to the consolidated financial statements.

29. SHARE CAPITAL

	2015	2014
	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 its 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.

AcrossAsia Group monitors capital on the basis of the debt-to-capital ratio. This ratio is calculated as net debt divided by adjusted capital. Total debt comprises borrowings (except for bank overdrafts) and finance lease payables. Capital comprises all components of equity (i.e. share capital, retained profits and other reserves) including non-controlling interests.

29. SHARE CAPITAL (Continued)

	2015 *HK$'000*	2014 *HK$'000*
Total debt	**1,736,850**	1,466,024
Less: cash and cash equivalents	**(226,344)**	(421,303)
Net debt	**1,510,506**	1,044,721
Total equity	**2,308,464**	3,243,612
Debt-to-adjusted capital ratio	**65%**	32%

The increase in the debt-to-capital ratio during 2015 resulted primarily from the substantial losses incurred during 2015.

The only externally imposed capital requirement for AcrossAsia Group is in order 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. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

		As at 31st December	
		2015	2014
	Note	***HK$'000***	*HK$'000*
Non-current assets			
Property, plant and equipment		**20**	26
Interests in subsidiaries		**430,849**	430,849
Available-for-sale financial assets		**67**	67
Non-current prepayments, deposits and receivables		**394**	1,391
		431,330	432,333
Current assets			
Due from related companies		**2**	2
Prepayments, deposits and other current assets		**1,714**	930
Bank and cash balances		**159**	165
		1,875	1,097
TOTAL ASSETS		**433,205**	433,430
Capital and reserves			
Share capital		**50,646**	50,646
Reserves	*30(b)*	**(134,973)**	(111,287)
Equity		**(84,327)**	(60,641)
Current liabilities			
Interest-bearing borrowings		**93,000**	93,000
Due to a subsidiary		**362,502**	362,502
Due to a related company		**4,000**	4,000
Other payables and accruals		**58,030**	34,569
Total liabilities		**517,532**	494,071
TOTAL EQUITY AND LIABILITIES		**433,205**	433,430
Net current liabilities		**(515,657)**	(492,974)
Total assets less current liabilities		**(84,327)**	(60,641)

Approved by the Board of Directors on 12th July 2016 and is signed on its behalf by:

Albert Saychuan CHEOK
Director

Vicente Binalhay ANG
Director

30. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Reserve movement of the Company

	Share premium account	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1st January 2014	414,318	(510,067)	(95,749)
Total comprehensive income for the year	—	(15,538)	(15,538)
At 31st December 2014 and 1st January 2015	414,318	(525,605)	(111,287)
Total comprehensive income for the year	—	(23,686)	(23,686)
At 31st December 2015	414,318	(549,291)	(134,973)

31. 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) 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) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale financial assets held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 4(k)(ii) to the consolidated financial statements.

(iii) 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 4(d) to the consolidated financial statements.

32. EMPLOYEES' BENEFIT 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' benefit obligations recognised in the consolidated statement of financial position is as follows:

	2015	2014
	HK$'000	*HK$'000*
Present value of defined benefit obligations	**74,785**	60,165

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

	2015	2014
	HK$'000	*HK$'000*
At 1st January	**60,165**	43,177
Amounts recognised in profit or loss:		
Current service cost	**16,393**	12,247
Past service cost and gains and losses from settlement	**(229)**	—
Interest expense	**5,182**	3,775
Remeasurements recognised in other comprehensive income:		
Actuarial losses/(gains) arising from changes in financial assumptions	**1,670**	(432)
Payments from the plan	**(1,344)**	(4,620)
Acquisition of subsidiaries (Note 39(c))	**—**	7,336
Translation differences	**(7,052)**	(1,318)
At 31st December	**74,785**	60,165

The principal actuarial assumptions adopted by AcrossAsia Group as at 31st December 2015 (expressed as weighted average) are as follows:

	2015	2014
Discount rate	**9.1%**	8.3%
Salary growth rate	**11.4%**	9.1%

32. EMPLOYEES' BENEFIT OBLIGATIONS (Continued)

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience. The mortality rates are as follows:

Age	2015	2014
25	**0.00085**	0.00085
30	**0.00076**	0.00076
35	**0.00091**	0.00091
40	**0.00153**	0.00153
45	**0.00279**	0.00279
50	**0.00538**	0.00538
55	**0.00961**	0.00961

Through its defined benefit pension plans, AcrossAsia Group is exposed to a number of risks, the most significant of which are detailed below:

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.

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) of employees' benefit obligations	
		2015 *HK$'000*	2014 *HK$'000*
Discount rate	2%/(2%)	**(14,040)/16,884**	(10,924)/14,711
Salary growth rate	2%/(2%)	**16,309/(13,912)**	14,302/(11,039)

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 obligations to significant actuarial assumptions, the same method (present value of the defined benefit obligations calculated with the PUCM at the end of the reporting period) has been applied as when calculating the pension liability recognised within the consolidated 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.

32. EMPLOYEES' BENEFIT OBLIGATIONS (Continued)

The weighted average duration of AcrossAsia Group's defined benefit obligations is approximately 14.30 (2014: 15.41) years. The maturity analysis of AcrossAsia Group's undiscounted benefit payments is as follows:

	Less than 1 year *HK$'000*	Between 1 and 2 years *HK$'000*	Between 2 and 5 years *HK$'000*	Over 5 years *HK$'000*	Total *HK$'000*
At 31st December 2015					
Pension payments	**8,133**	**1,743**	**8,031**	**245,755**	**263,662**
At 31st December 2014					
Pension payments	4,432	468	9,363	562,847	577,110

33. INTEREST-BEARING BORROWINGS

	2015 ***HK$'000***	2014 *HK$'000*
Bank loans:		
Secured	**1,009,740**	330,004
Unsecured	**1,672**	448,991
	1,011,412	778,995
Other borrowings:		
Secured	**95,870**	141,280
Unsecured	**386,980**	398,235
	482,850	539,515
Bank overdrafts — unsecured	**24,634**	4,699
	1,518,896	1,323,209

33. INTEREST-BEARING BORROWINGS (Continued)

Interest-bearing borrowings are repayable as follows:

	2015 HK$'000	2014 HK$'000
Bank loans:		
Within one year	**327,345**	74,880
In the second year	**587,940**	60,610
In the third to fifth years, inclusive	**96,127**	643,505
	1,011,412	778,995
Other borrowings:		
Within one year	**377,924**	266,174
In the second year	**70,553**	230,482
In the third to fifth years, inclusive	**34,373**	42,859
	482,850	539,515
Bank overdrafts	**24,634**	4,699
	1,518,896	1,323,209
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(729,903)**	(345,753)
Amount due for settlement after 12 months	**788,993**	977,456

The carrying amounts of AcrossAsia Group's interest-bearing borrowings are denominated in the following currencies:

	2015 HK$'000	2014 HK$'000
Bank loans:		
US$	**380,042**	382,881
Indonesian Rupiah	**631,370**	396,114
	1,011,412	778,995
Other borrowings:		
US$	**451,876**	528,954
Indonesian Rupiah	**30,974**	10,561
	482,850	539,515
Bank overdrafts:		
Indonesian Rupiah	**24,634**	4,699

33. INTEREST-BEARING BORROWINGS (Continued)

The effective interest rates at 31st December were as follows:

	2015	2014
Bank loans:		
US$	**4%**	4%
Indonesian Rupiah	**11.0%–17.0%**	11.0%–14.0%
Other borrowings:		
US$	**2.4%–4.8%**	1.0%–4.8%
Indonesian Rupiah	**16%**	14.5%
Bank overdrafts	**15%**	15%

At 31st December 2015, AcrossAsia Group's interest-bearing borrowings were secured by:

(a) the charge over certain property, plant and equipment (Note 16) and trade receivables (Note 25) of AcrossAsia Group;

(b) the charge over certain land use rights of the subsidiaries' directors; and

(c) the corporate guarantee of a subsidiary and non-controlling shareholder of a subsidiary.

34. FINANCE LEASE PAYABLES

	Minimum lease payments		**Present value of minimum lease payments**	
	2015 *HK$'000*	2014 *HK$'000*	**2015** *HK$'000*	2014 *HK$'000*
Within one year	**92,996**	37,939	**63,454**	15,222
In the second to fifth years, inclusive	**198,027**	154,765	**179,134**	132,292
	291,023	192,704	**242,588**	147,514
Less: Future finance charges	**(48,435)**	(45,190)	**—**	—
Present value of lease obligations	**242,588**	147,514	**242,588**	147,514
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(63,454)**	(15,222)
Amount due for settlement after 12 months			**179,134**	132,292

The average lease term is 3.4 years (2014: 3 years). At 31st December 2015, the weighted average effective borrowing rate is 11.9% (2014: 15.0%). Interest rates are fixed at the contract dates and thus expose AcrossAsia Group to fair value interest rate risk.

The carrying amounts of AcrossAsia Group's finance lease payables are denominated in following currencies.

	2015 *HK$'000*	2014 *HK$'000*
US$	**59,192**	—
Indonesian Rupiah	**183,396**	147,514
	242,588	147,514

35. 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 (2014: 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.

36. TRADE PAYABLES

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

	2015 ***HK$'000***	2014 *HK$'000*
1 to 30 days	**350,321**	323,635
31 to 60 days	**179,789**	37,918
61 to 90 days	**80,963**	57,687
More than 90 days	**55,070**	108,920
	666,143	528,160

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

	2015 ***HK$'000***	2014 *HK$'000*
Indonesian Rupiah	**558,927**	201,433
US$	**107,216**	326,660
Euro	**—**	67
	666,143	528,160

At 31st December 2015, 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 HK$42,363,000 (2014: HK$164,908,000). These balances are unsecured, interest-free and are repayable principally in accordance with normal trading terms.

37. OTHER PAYABLES AND ACCRUALS

	2015 ***HK$'000***	2014 *HK$'000*
Customers' deposits	**18,968**	5,767
Other payables	**279,576**	137,690
Accrued expenses	**489,831**	341,068
Other tax payables	**10,726**	20,329
	799,101	504,854

38. DERIVATIVE FINANCIAL LIABILITIES

	AcrossAsia Group	
	2015	2014
	HK$'000	*HK$'000*
At 1st January	**17,814**	—
Issued during the year	**—**	18,691
Lapsed during the year	**(16,478)**	—
Translation differences	**(1,336)**	(877)
At 31st December	**—**	17,814

On 29th October 2014, First Media granted option rights to a third party investor to purchase 108,014,400 shares of Link Net (representing 3.55% equity interests in Link Net) which would be exercisable from the date of completion of the private placement (details refer to Note 39(e)) and not later than twelve months from 29th October 2014. The option rights expired in 2015.

The option was measured at its fair value at the date of issue and at 31st December 2014. The fair values were estimated using Black-Scholes Model (level 2 fair value measurements). The key assumptions used were as follows:

	31st December 2014
Share price — Link Net	Rp4,920
Expected volatility	29.30%
Expected life (years)	0.82
Risk free rate	7.04%
Expected dividend yield	0%

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Changes in interests in a subsidiary without loss of control in 2015

In March and June 2015, Cinemaxx increased its issued and fully paid capital by 50,000,000 and 95,000,000 shares which were fully taken up by PT Citra Investama Andalan Terpadu ("CIAT"), a wholly-owned subsidiary of First Media, and its non-controlling shareholders respectively.

Following completion of the above transactions, First Media's shareholding in Cinemaxx decreased from 75% to 51.02% and AcrossAsia Group's effective interests in Cinemaxx decreased from 41.33% to 28.11%. The effect of the deemed disposal on the equity attributable to the owners of the Company is as follows:

	HK$'000
Net assets in the subsidiary disposed of	45,523
Cash consideration received	(54,741)
Difference recognised directly in equity	(9,218)
Net cash inflow arising on deemed disposal:	
Cash consideration received	54,741

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Purchase of non-controlling interests in 2015

In May 2015, MMM, a 69.04%-owned subsidiary of First Media, subscribed for and acquired 7,833,400,000 new shares issued by PT Internux to be fully paid by way of setting off receivables due from PT Internux to MMM arising from a Shareholders Loan Agreement dated 23 October 2013 and its amendment. At the same time, a non-controlling shareholder of PT Internux subscribed for and acquired 1,958,350,000 new shares of PT Internux to be fully paid by cash.

Following completion of the above transactions, MMM's shareholding in PT Internux increased from 57.0% to 70.2% and AcrossAsia Group's effective interests in PT Internux increased from 21.68% to 26.71%. The effect of the acquisition on the equity attributable to the owners of the Company is as follows:

	HK$'000
Net change in share of net assets in the subsidiary	(105,818)
Cash consideration received	112,843
Difference recognised directly in equity	7,025
Net cash inflow arising on issuance of new shares by the subsidiary:	
Cash consideration received	112,843

On 30 June 2015, Link Net acquired 2,500 shares of FMTV by cash. First Media's shareholding in FMTV increased to 100%. The effect of the acquisition on the equity attributable to the owners of the Company is as follows:

	HK$'000
Net assets in the subsidiary acquired	1,787
Cash consideration paid	(2,215)
Difference recognised directly in equity	(428)
Net cash outflow arising on acquisition:	
Cash consideration paid	2,215

(c) Acquisition of subsidiaries in 2014

In June 2014, AcrossAsia Group acquired 100% of the issued share capital of Lynx at a total consideration of HK$1,777,000. Lynx was engaged in the provision of telecommunication services.

In December 2014, AcrossAsia Group acquired 100%, 100%, 75% and 69% of the issued share capital of MSH, PWU, Cinemaxx and MMM at considerations of HK$3,893,000, HK$934,000, HK$46,719,000 and HK$833,095,000 respectively. MSH and PWU were engaged in the provision of calling card services and trading respectively. Cinemaxx was engaged in filming and video recording and cinema services. MMM and its subsidiary, Internux, (collectively referred to as "MMM Group") were engaged in the provision of internet services.

The acquisitions were further strategic measures taken by AcrossAsia Group to grow its core businesses in broadband and telecommunications with view to increase its market share in the segment.

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(c) Acquisition of subsidiaries in 2014 (Continued)

The fair value of the identifiable assets and liabilities of Lynx, MSH, PWU, Cinemaxx and MMM Group acquired as at the date of acquisition were as follows:

	Lynx	**MSH**	**PWU**	**Cinemaxx**	**MMM Group**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Net assets acquired:						
Property, plant and equipment	—	1,093	14,404	145,597	907,217	1,068,311
Other intangible assets	—	—	—	—	954,887	954,887
Deferred tax assets	—	—	—	7,316	242,220	249,536
Non-current prepayments, deposits and other receivables	—	610	3,301	7,700	496,027	507,638
Trade receivables	1,568	2,947	282	429	42,467	47,693
Prepayments, deposits and other current assets	4,296	4,860	1,495	268	513,333	524,252
Bank and cash balances	300	3,639	1,152	7,935	134,662	147,688
Employees' benefits obligations	—	—	(199)	(876)	(6,261)	(7,336)
Interest-bearing borrowings	(5,765)	—	—	(102,693)	(906,139)	(1,014,597)
Finance lease payables	—	—	—	—	(104,010)	(104,010)
Trade payables	(712)	(2,035)	(3,647)	(2,767)	(441,539)	(450,700)
Receipts in advance	—	—	(2,801)	—	(7,546)	(10,347)
Other payables and accruals	(16)	(1,101)	(13,014)	(20,148)	(132,152)	(166,431)
Current tax payable	—	(120)	(57)	(2,371)	(1,097)	(3,645)
Deferred tax liabilities	—	—	—	—	(229,720)	(229,720)
	(329)	9,893	916	40,390	1,462,349	1,513,219
Non-controlling interests	—	—	—	(10,098)	(700,087)	(710,185)
Gain on bargain purchase in respect of business combination	—	(6,000)	—	—	—	(6,000)
Goodwill	2,106	—	18	16,427	70,833	89,384
	1,777	3,893	934	46,719	833,095	886,418
Satisfied by:						
Cash	1,777	3,893	934	46,719	535,588	588,911
Trade receivables	—	—	—	—	297,507	297,507
	1,777	3,893	934	46,719	833,095	886,418
Net cash outflow arising on acquisition:						
Cash consideration paid						(588,911)
Cash and cash equivalents acquired						147,688
						(441,223)

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(c) Acquisition of subsidiaries in 2014 (Continued)

AcrossAsia Group recognised a gain on bargain purchase of HK$6,000,000 in the business combination of MSH in 2014. The business combination results in a gain on bargain purchase because the former shareholders of MSH were desirous to dispose of their interests in MSH. The approach of AcrossAsia Group coincided with their exit strategy which was difficult to implement due to the absence of an open market for similar private companies in Indonesia. Therefore, AcrossAsia Group was able to negotiate a price below the estimated fair value of MSH's net assets acquired and the business combination resulted in a gain on bargain purchase.

The non-controlling interests in Cinemaxx recognised at the acquisition date were measured by the non-controlling shareholder's proportionate share of the net fair value of the identifiable assets and liabilities of Cinemaxx at the acquisition date.

The fair value of the non-controlling interests in MMM and Internux, unlisted companies, were estimated by applying a market approach and an income approach. The fair value estimates were based on:

(i) an assumed discount rate of 17.7%;

(ii) an assumed long term sustainable growth rate of 2%;

(iii) assumed financial multiples of companies deemed to be similar to Internux; and

(iv) assumed adjustments because of the lack of control or lack of marketability that market participants would consider when estimating the fair value of the non-controlling interests in MMM and Internux.

The goodwill arising on the acquisition of Lynx, PWU, Cinemaxx and MMM were attributable to the anticipated future operating synergies, revenue growth, future market development from the business combinations and the assembled workforce of Internux.

The contribution of revenue and results for the year to AcrossAsia Group by the business combinations for the period between the date of acquisition and the end of the reporting period were as follows:

	Lynx	**MSH**	**PWU**	**Cinemaxx**	**MMM Group**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	8,865	—	—	—	—	8,865
Profit	337	—	—	—	—	337

If the acquisition had been completed on 1st January 2014, total AcrossAsia Group revenue for 2014 would have been HK$1,924,122,000, and loss for 2014 would have been HK$730,170,000. The proforma information was for illustrative purposes only and was not necessarily an indication of the revenue and results of operations of AcrossAsia Group that actually would have been achieved had the acquisition been completed on 1st January 2014, nor was intended to be a projection of future results.

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(d) Acquisition of remaining interests in an associate in 2014

In November 2014, First Media acquired additional 50.17% of the issued share capital of DNN at a total consideration of HK$3,292,000. DNN was engaged in the provision of internet services during the year. The acquisition were for the purpose of enhancing AcrossAsia Group's broadband internet services.

The fair value of the identifiable assets and liabilities of DNN acquired as at the date of acquisition were as follows:

	HK$'000
Net assets acquired:	
Property, plant and equipment	2,892
Trade receivables	427
Prepayments, deposits and other current assets	1,117
Bank and cash balances	241
Interest-bearing borrowings	(510)
Finance lease payables	(3,152)
Trade payables	(436)
Receipts in advance	(32)
Other payables and accruals	(761)
Current tax payable	(57)
	(271)
Investments in an associate	135
Goodwill	3,428
	3,292
Satisfied by:	
Cash	3,292
Net cash outflow arising on acquisition:	
Cash consideration paid	(3,292)
Cash and cash equivalents acquired	241
	(3,051)

The goodwill arising on the acquisition of DNN were attributable to the anticipated future operating synergies from the business combination.

DNN contributed approximately HK$748,000 to AcrossAsia Group's revenue for the period between the date of acquisition and the end of 2014. DNN contributed approximately HK$628,000 to AcrossAsia Group's profit for the period between the date of acquisition and the end of 2014.

If the acquisition had been completed on 1st January 2015, total AcrossAsia Group revenue for 2014 would have been HK$1,558,823,000 and profit for 2014 would have been HK$59,837,000. The proforma information was for illustrative purposes only and was not necessarily an indication of the revenue and results of operations of AcrossAsia Group that actually would have been achieved had the acquisition been completed on 1st January 2014, nor was intended to be a projection of future results.

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(e) Changes in interests in a subsidiary without loss of control in 2014

During 2014, First Media completed the initial public offering ("IPO") of its 304,265,000 shares in Link Net. Trading of Link Net's shares on the Indonesia Stock Exchange commenced on 2nd June 2014.

On 21st March 2011, First Media granted an option (the "Option") to the non-controlling shareholder of Link Net (or its designee) in respect of 458,248,815 option shares in the capital of Link Net. On 2nd June 2014, the non-controlling shareholder of Link Net exercised the Option.

On 3rd November 2014, First Media completed the private placements by selling 226,677,000 shares of Link Net to various third party investors. In addition, First Media granted option rights to a third party investor to purchase 108,014,400 shares of Link Net (representing 3.55% of equity interests in Link Net) which would be exercisable from the date of completion of the private placement and not later than twelve months from 29th October 2014. The option rights expired in 2015.

Following completion of the above transactions, First Media's shareholding in Link Net reduced from 66.06% to 33.55% and AcrossAsia Group's effective interest in Link Net reduced from 36.40% to 18.49%. As explained in Note 5(c), Link Net is treated as a subsidiary because First Media has existing rights that give it the power to direct Link Net's relevant activities under the Cooperation Agreement. The effect of the disposal on the equity attributable to the owners of the Company in 2014 was as follows:

	HK$'000
Net assets in the subsidiary disposed of	1,079,924
Cash consideration received	(1,200,095)
Settlement of bond payable	(484,005)
Difference recognised directly in equity	(604,176)
Net cash inflow arising on disposal:	
Cash consideration received	(1,200,095)

In December 2014, First Media acquired 8,270,000 shares in Link Net at a total consideration of HK$28,198,000. First Media's shareholding in Link Net increased to 33.82% and AcrossAsia Group's effective interest in Link Net increased to 18.63%.

The effect of the acquisition on equity attributable to the owners of the Company in 2014 was as follows:

	HK$'000
Net assets in the subsidiary acquired	14,818
Cash consideration paid	(26,875)
Difference recognised directly in equity	(12,057)
Net cash outflow arising on acquisition:	
Cash consideration paid	26,875

(f) Major non-cash transactions

During the year ended 31st December 2015, additions to property, plant and equipment of HK$247,338,000 (2014: HK$20,370,000) were financed by finance leases.

40. FINANCIAL RISK MANAGEMENT

AcrossAsia Group's activities expose it to a variety of financial risks: credit risk, foreign currency risk, interest rate risk, liquidity risk and price risk. AcrossAsia Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on AcrossAsia Group's financial performance.

(a) Credit risk

AcrossAsia Group's credit risk is primarily attributable to its trade receivables.

Concentrations of credit risk with respect to 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.

The credit risk on bank and cash balances is limited because the counterparties are well-established financial institutions.

(b) Foreign currency risk

AcrossAsia Group has certain exposure to foreign currency risk as some of its business transactions, assets and liabilities are denominated in currencies other than the functional currency of respective AcrossAsia Group entities, such as US$. AcrossAsia Group enters into foreign currency forward contracts to mitigate foreign currency risk arising from borrowings denominated in US$.

At 31st December 2015, if Indonesian Rupiah had weakened/strengthened by 10% (2014: 10%) against US$ with all other variables held constant, consolidated loss (2014: profit) after tax for the year would have been HK$63,170,000 (2014: HK$80,519,000) higher/lower (2014: lower/higher), arising mainly as a result of the foreign exchange loss/gain on borrowings denominated in US$.

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 Indonesian Rupiah. The imposition of any such exchange controls may adversely affect the ability of AcrossAsia Group to exchange Indonesian Rupiah denominated revenue into US$ or other foreign currency denominated liabilities and may adversely affect AcrossAsia Group's financial condition.

40. FINANCIAL RISK MANAGEMENT (Continued)

(c) Interest rate risk

AcrossAsia Group's exposure to interest-rate risk arises from its bank deposits and borrowings. AcrossAsia Group's bank deposits of HK$29,871,000 (2014: HK$34,758,000) bear interest at fixed interest rates and therefore are subject to fair value interest rate risks.

AcrossAsia Group's cash flow interest rate risk primarily relates to variable-rate borrowings of HK$791,656,000 (2014: HK$785,815,000) which bear interest at variable rates that vary with the then prevailing market condition.

At 31st December 2015, if interest rates at that date had been 100 basis points lower/higher with all other variables held constant, consolidated loss (2014: profit) after tax for the year would have been HK$5,937,000 (2014: HK$5,894,000) lower/higher (2014: higher/lower), arising mainly as a result of lower/higher interest expense on bank and other borrowings.

(d) Liquidity risk

AcrossAsia Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer-term.

The maturity analysis based on contractual undiscounted cash flows of AcrossAsia Group's non-derivative financial liabilities is as follows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
As at 31st December 2015				
Bank loans	**361,642**	**706,376**	**142,416**	**1,210,434**
Other borrowings	**422,645**	**75,651**	**38,165**	**536,461**
Finance lease payables	**92,996**	**100,794**	**97,233**	**291,023**
Due to related companies	**20,615**	**—**	**—**	**20,615**
Trade payables	**666,143**	**—**	**—**	**666,143**
Other payables and accruals	**786,786**	**—**	**—**	**786,786**
As at 31st December 2014				
Bank loans	84,239	69,662	813,221	967,122
Other borrowings	279,952	247,136	47,588	574,676
Finance lease payables	37,939	74,292	80,473	192,704
Due to related companies	22,545	—	—	22,545
Trade payables	528,160	—	—	528,160
Other payables and accruals	434,421	—	—	434,421

40. FINANCIAL RISK MANAGEMENT (Continued)

(e) Price risk

AcrossAsia Group's available-for-sale financial assets are measured at fair value at the end of each reporting period. Therefore, AcrossAsia Group is exposed to equity securities price risk.

At 31st December 2015, if the share price of the investments had increased/decreased by 10% with all other variables held constant, other comprehensive income for the year would be HK$5,808,000 (2014: HK$5,847,000) higher/lower, arising as a result of the fair value gain/loss on the investments.

(f) Categories of financial instruments at 31st December

	2015 ***HK$'000***	2014 *HK$'000*
Financial assets:		
Loans and receivables (including cash and cash equivalents)	**578,635**	740,357
Available-for-sale financial assets	**60,898**	61,493
Financial assets at fair value through profit or loss:		
Derivative financial assets	**12,394**	10,295
Financial liabilities:		
Financial liabilities at fair value through profit or loss:		
Derivative financial liabilities	**—**	17,814
Financial liabilities at amortised cost	**2,992,204**	2,308,095

(g) Fair values

Except as disclosed in Note 41 to the consolidated financial statements, 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.

41. FAIR VALUE MEASUREMENTS

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.

(a) Disclosures of level in fair value hierarchy at 31st December:

	Fair value measurement using:			2015
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Recurring fair value measurements:				
Financial assets:				
Financial assets at fair value through profit or loss				
Derivative financial assets	**—**	**12,394**	**—**	**12,394**
Available-for-sale financial assets				
Listed equity investments	**58,098**	**—**	**—**	**58,098**

	Fair value measurement using:			2014
Description	Level 1	Level 2	Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Recurring fair value measurements:				
Financial assets:				
Financial assets at fair value through profit or loss				
Derivative financial assets	—	10,295	—	10,295
Available-for-sale financial assets				
Listed equity investments	58,363	—	—	58,363
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	—	17,814	—	17,814

41. FAIR VALUE MEASUREMENTS (Continued)

(a) Disclosures of level in fair value hierarchy at 31st December: (Continued)

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.

(b) Disclosure of valuation process used by AcrossAsia Group and valuation techniques and inputs used in fair value measurements at 31st December 2015:

AcrossAsia Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

Level 2 fair value measurements

			Fair value	
			2015	2014
Description	**Valuation technique**	**Inputs**	***HK$'000***	*HK$'000*
Derivative financial assets	Discounted cash flows	Forward exchange rate		
		Contract forward rate		
		Discount rate	**12,394**	10,295
Derivative financial liabilities	Black–Scholes Model	Share price		
		Expected volatility	**—**	17,814

42. LEASE COMMITMENTS

At 31st December 2015, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2015	2014
	HK$'000	*HK$'000*
Within one year	**10,614**	5,272
In the second to fifth years inclusive	**31,749**	22,339
After five years	**8,797**	14,396
	51,160	42,007

Operating lease payments represent rentals payable by AcrossAsia Group for certain of its cinema theatres. Leases are negotiated for an average term of 5 to 10 years and rentals are fixed over the lease terms and do not include contingent rentals.

43. 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:

	2015 HK$'000	2014 HK$'000
Data communication services:		
— PT Visionet Internasional	**2,082**	1,462
Purchases of equipment:		
— PT Multipolar Technology Tbk	**253,110**	96,095
Insurance expenses		
— PT Lippo General Insurance Tbk	**158**	1,233
Interest paid		
— PT Ciptadana Multifinance	**10,425**	23,783

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

Compensation of key management personnel

The key management personnel of the Company comprises all directors, details of their remuneration are disclosed in Note 13 to the consolidated financial statements.

44. GARNISHEE AND RELATED PROCEEDINGS

Litigation

Garnishee and related proceedings

The Company sets out below the updates and relevant announcements made previously for shareholders' easy reference.

Hong Kong Garnishee Proceedings

Reference is made to the Company's Third Quarterly Report 2015 and the update announcement of 8th December 2015.

On 25th June 2014, the Court of Appeal dismissed the application by Astro All Asia Networks Plc and its affiliated companies (the "Astro Group") for leave to appeal against the order of the Honourable Madam Justice Chan dated 24th January 2014 ("Unconditional Stay of Execution") granting an unconditional stay of execution of the garnishee order absolute dated 31st October 2013 ("Garnishee Order Absolute") pending determination of the application by First Media to set aside the judgment dated 9th December 2010 ("First Media's Hong Kong Setting Aside Application"). The judgment dated 9th December 2010 ("Astro's Judgment") was entered by the Astro Group against First Media in Hong Kong to enforce five arbitration awards made by the Singapore International Arbitration Centre ("SIAC Awards"). The Court of Appeal in dismissing the Astro Group's application for leave to appeal, further ordered that the Astro Group may not apply for an oral hearing to reconsider the application for leave to appeal and costs were assessed summarily at HK$100,000 payable by the Astro Group to the Company. In its decision dated 25th June 2014, the Court of Appeal expressed that:

44. GARNISHEE AND RELATED PROCEEDINGS (Continued)

Litigation (Continued)

Hong Kong Garnishee Proceedings (Continued)

"In our view it will indeed be remarkable if, despite the Singapore Court of Appeal judgment on the invalidity of the arbitration awards, Astro will still be able to enforce a judgment here based on the same arbitration awards that were made without jurisdiction."

On 9th July 2014, Astro paid the said costs of HK$100,000.

First Media's Hong Kong Setting Aside Application was heard by the Hong Kong Court from 8th to 11th December 2014 and on 17th February 2015, the Hong Kong Court delivered its decision dismissing First Media's Hong Kong Setting Aside Application ("Chow J's Decision"). On 2nd March 2015, First Media filed three summonses for, amongst other things, directions as to whether leave to appeal is required in respect of Chow J's Decision and for leave if so required, variation of the costs order and an extension of the Unconditional Stay of Execution until determination of First Media's appeal to the Court of Appeal against Chow J's Decision ("First Media's 3 Summonses").

On 4th March 2015, the Company filed a summons ("the Company's Stay Application") seeking an extension of the Unconditional Stay of Execution (or a new stay of execution of the Garnishee Order Absolute) pending final determination of the Company's appeal filed on 27th November 2013 against the Garnishee Order Absolute ("its Appeal" or "AAL's Appeal") and/or final determination of any appeal brought by First Media against Chow J's Decision.

The Company's Stay Application and First Media's 3 Summonses were heard on 20th October 2015. On 8th December 2015, the Court delivered its decision as follows:

(1) That the Company's Stay Application be granted, i.e. the stay of execution of the Garnishee Order Absolute be continued pending the final determination of AAL's Appeal and/or final determination of any appeal brought by First Media against Chow J's Decision;

(2) In relation to First Media's 3 Summonses:

    (i) That leave to appeal is required and that First Media be granted leave to appeal against Chow J's Decision;

    (ii) That First Media's summons for variation of costs order nisi made in Chow J's Decision be allowed such that First Media shall pay 80% of Astro's costs, with certificate for three counsel; and

    (iii) That the Unconditional Stay of Execution of the Garnishee Order Absolute be extended until the determination of First Media's appeal against Chow J's Decision.

Further, in its decision dated 8th December 2015, Chow J. stated at paragraph 36 that:

"Although I ultimately reached a conclusion which the Court of Appeal considered to be 'remarkable', I must recognize and accept that my decision is indeed exceptional."

44. GARNISHEE AND RELATED PROCEEDINGS (Continued)

Litigation (Continued)

Hong Kong Garnishee Proceedings (Continued)

On 4th March 2015, the Company filed a supplementary (amended) notice of appeal in respect of its Appeal. As noted in the Company's Third Quarterly Report 2015, the Company filed an application to the Court of Appeal to fix a hearing date for its Appeal. On 6th July 2015, the parties appeared before Master Lai for a directions hearing to determine how AAL's Appeal should proceed. After hearing submissions from respective counsel representing the Company, Astro and First Media, the Master reserved judgment to a later date to be advised. Master Lai delivered his decision on 2nd September 2015 ordering that the Company's application to fix a date for AAL's Appeal be dealt with after disposal of First Media's appeal against Chow J's Decision or until further order with liberty to apply in the event that there are changes of circumstances. Further, on 2nd September 2015 and 23rd September 2015, Master Lai made an order nisi that costs of the directions hearing be costs in the cause of the respective appeals and First Media's intended appeal against Chow J's Decision with certificate for one counsel. First Media's appeal against Chow J's Decision is scheduled to be heard on 15th to 17th November 2016.

On 8th October 2015, the Astro Group filed a summons for reserved costs for various Hong Kong Court orders to be paid jointly and severally by First Media and the Company ("Astro's Costs Summons"). The Astro Group alleged that they had incurred costs of more than HK$11,000,000 in First Media's Hong Kong Setting Aside Application and more than HK$33,000,000 in the Garnishee Proceedings and invited the Court to make orders for costs to be paid into the Court by First Media and the Company in the sum of HK$3,685,000 and HK$11,055,000 respectively as security for their costs claims. By consent of all parties, Astro's Cost Summons adjourned sine die with liberty to restore.

Hong Kong Market Misconduct Tribunal ("MMT") Proceedings

Reference is made to the Company's Third Quarterly Report 2015 and update announcement dated 17th February 2016.

The Securities and Futures Commission (the "SFC") announced on 22nd July 2015 that it has commenced proceedings in the MMT against the Company together with its independent non-executive Chairman, Mr Albert Saychuan Cheok and Chief Executive Officer, Mr Vicente Binalhay Ang ("Mr. Ang") (collectively referred to under this heading as the "Directors").

In summary, the SFC alleges that the Company and the Directors had delayed in issuing an announcement regarding the institution of certain legal proceedings against the Company in Indonesia during the period between 4th January 2013 to 15th January 2013. The Company issued the announcement on 17th January 2013.

At the third preliminary conference on 17th February 2016, the Company and Mr. Ang admitted having breached the disclosure provisions pursuant to sections 307B(1) and 307G(2)(a) of the Securities and Futures Ordinance (Cap. 571) respectively. Mr. Cheok has submitted his written statement to the MMT on 6th June 2016 expressing regret that the Company has delayed in making an announcement regarding PKPU petition. The substantive hearing is scheduled to take place on 31st October 2016.

The Company is continuing to seek legal advice on its position in relation the MMT Proceedings.

44. GARNISHEE AND RELATED PROCEEDINGS (Continued)

Litigation (Continued)

Singapore Court of Appeal's Decision

Reference is made to the Company's Third Quarterly Report 2015. As would be recalled, the Singapore Court of Appeal has on 31st October 2013, allowed First Media's appeal against the enforcement of the SIAC Awards. The Singapore Court of Appeal decided that all the SIAC Awards which the Astro Group is seeking to enforce against First Media are not enforceable against First Media, save for the award for the sum of US$608,176.54, GBP22,500 and S$65,000 in favour of the 1st to 5th Astro Group parties only, and that the Astro Group shall pay First Media's costs for the Singapore Court of Appeal hearing and the Singapore Court hearing below. As the parties were unable to agree on the terms of the order to be drawn up pursuant to the Singapore Court of Appeal's decision dated 31st October 2013, the Astro Group and First Media sought assistance from the Singapore Court of Appeal. In its decision on 11th September 2014, the Singapore Court of Appeal reiterated its decision dated 31st October 2013 that the joinder of the 6th to 8th Astro Group parties to the arbitration by the arbitration tribunal was improper and as a consequence, all the SIAC Awards were unenforceable by the 6th to 8th Astro Group parties as against First Media. The Court of Appeal further confirmed the terms of the order that only the sums of US$608,176.54, GBP22,500 and S$65,000 are payable by First Media to the Astro Group. As would be recalled, as stated in the Company's update announcement dated 28th November 2013, the said sums have been fully paid by First Media. Accordingly there is no longer any further payment due by First Media to the Astro Group under the SIAC Awards. Further, First Media has applied to the Singapore Court for assessment of legal costs of the Singapore Court proceedings including the appeal to be paid by the Astro Group to First Media. The Singapore Court had on 4th November 2014 awarded First Media with costs and disbursements of S$392,196.12. Astro Group and First Media have on 18th November 2014 lodged their respective appeals against the order dated 4th November 2014 awarding the said costs and disbursements of S$392,196.12. The appeals against the costs awarded were heard on 25th January 2016 and 1st February 2016 and First Media was awarded total costs of S$650,000. Astro Group has paid the said costs awarded in full. In addition, First Media has applied to the Singapore High Court for assessment of damages to be paid by the Astro Group to First Media arising from the Mareva Injunction obtained by the Astro Group against First Media during the course of the Singapore Court proceedings. The Singapore Court had on 20th January 2014 confirmed that the Mareva Injunction ceased to be effective from 31st October 2013. The application for assessment of damages was heard on 31st August 2015 and 4th September 2015. The matter has now fixed for inquiry on 25th July 2016.

As noted in the Company's Third Quarterly Report 2015, the Board believes that the Singapore Court of Appeal's decision dated 11th September 2014 is highly favorable to First Media as it is clear that First Media no longer needs to make any further payment to the Astro Group under the SIAC Awards.

44. GARNISHEE AND RELATED PROCEEDINGS (Continued)

Litigation (Continued)

Appeal against Indonesian Bankruptcy Order

Reference is made to the Company's announcement dated 4th September 2015. On 21st August 2015, the Company received a written decision of the Indonesian Supreme Court dismissing the Company's appeal to the Indonesian Supreme Court (the "Indonesian Appeal") against the Indonesian bankruptcy order made against the Company on 5th March 2013 (the "Indonesian Bankruptcy Order"). An English translation of the Indonesian Supreme Court's decision was received by the Company on 28th August 2015 and a final corrected English translation of the Indonesian Supreme Court's decision was received by the Company on 2nd September 2015.

The Company was advised by its previous Indonesian lawyer that the Company has a final avenue of appeal by way of a petition for judicial review to the Indonesian Supreme Court ("Judicial Review") after the Company is in receipt of official notification of dismissal of the Indonesian Appeal. As stated in the Company's announcement dated 4th September 2015, the Company intends to lodge such an appeal.

Being prudent, the Company believed that it would be appropriate and did seek a second legal opinion/legal advice from another Indonesian lawyer. Based on the advice of the second Indonesian lawyer, the Company is entitled to file its petition for Judicial Review after the Company has received an officially served copy of the Indonesian Supreme Court's decision which in the opinion of the second Indonesian lawyer, has yet to be officially served on the Company. On 25th February 2016, the Company was officially served with a copy of the Indonesian Supreme Court's decision. On 2nd March 2016, the Company filed its petition for Judicial Review at the Indonesian Supreme Court.

The petition for Judicial Review is pending final determination and decision of the Indonesian Supreme Court. Accordingly, the Board is of the view that the Indonesian Bankruptcy Order is not final.

While the final outcome of the proceedings is yet to be determined, it is the Directors' opinion that the Group has good grounds for succeeding in our litigations in Hong Kong and Indonesia.

45. EVENTS AFTER THE REPORTING PERIOD

1. On 11th January 2016, Link Net has executed a corporate guarantee in favour of Deutsche Bank AG, Hong Kong Branch to guarantee 25% (approximately HK$48.6 million) of a loan for a principal sum of US$25 million (approximately HK$194.4 million) granted by Deutsche Bank to IMTV for a duration of six months from 11th January 2016.

2. On 22nd June 2016, First Media, through its wholly-owned subsidiary, PT Graha Raya Ekatama Andalan Terpadu, acquired additional 21% of the issued share capital of IMTV from PT Multipolar Multimedia Prima ("MMP") at a total consideration of Rp4,000,000,000 (approximately HK$2,339,000).

   MMP is a wholly-owned subsidiary of PT Multipolar Tbk ("MLPL"), which holds 33.76% of the issued share capital of First Media.

3. In June 2016, CIMB Bank Berhad, Singapore Branch has granted to IMTV a loan in the principal sum of US$50 million (approximately HK$387.9 million). The loan was secured by:

   (a) corporate guarantees of First Media and Link Net; and

   (b) equity interests in IMTV.

4. On 1st July 2016, a Credit Agreement was signed by and between (i) First Media; (ii) Credit Suisse AG, Singapore Branch ("Credit Suisse") and PT Bank BNP Paribas Indonesia ("BNP Paribas") as Mandated Lead Arrangers and Bookrunners; (iii) BNP Paribas and Credit Suisse; (iv) Credit Suisse as Facility Agent; (v) Credit Suisse as Security Agent; and (vi) BNP Paribas as Account Bank ("Credit Agreement"). Credit Suisse and BNP Paribas jointly agreed to grant to First Media a total credit facility of US$60 million (approximately HK$465.5 million) ("Credit Facility") subject to the terms and conditions contained in the Credit Agreement.

   The Credit Facility was secured by equity interests in certain subsidiaries of AcrossAsia Group.

AcrossAsia Limited