

ACROSS ASIA LIMITED

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

First Quarterly Report
2016

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

FIRST QUARTERLY REPORT 2016

For the three months ended 31st March 2016

HIGHLIGHTS

- AcrossAsia Group's revenue increased by 13.8% to HK\$555.2 million compared to HK\$487.9 million for the same period in 2015, mainly contributed by the growth of its existing businesses.
- Internet and cable TV subscribers increased by 3.3% and 3.9% respectively in the first quarter of 2016 and cable coverage has now surpassed 1,713,000 homes. 4G LTE subscribers have increased by 0.6% and cinema complexes and screens have increased by 28.6% and 30.1% respectively.
- AcrossAsia Group's gross profit increased by 18.4% to HK\$281.2 million from HK\$237.5 million and its gross margin increased to 50.6% from 48.7% for the same period in 2015, mainly attributable to better cost control measures.
- AcrossAsia Group recorded a loss from operations of HK\$115.9 million compared to a loss of HK\$177.3 million for the same period in 2015, mainly due to the increase in gross profit, and the stabilization of the Indonesian currency.
- Overall, AcrossAsia Group recorded a loss attributable to the owners of the Company of HK\$76.4 million compared to a loss of HK\$81.4 million for the same period in 2015.
- The AcrossAsia Group continues to be burdened by the high legal costs arising from its litigations in Hong Kong and Indonesia and the relatively weak Indonesian currency.

FIRST QUARTERLY RESULTS (UNAUDITED)

The Directors of AcrossAsia Limited (the "Company") announce the unaudited condensed consolidated statement of profit or loss and condensed consolidated statement of profit or loss and other comprehensive income of the Company and its subsidiaries (collectively "AcrossAsia Group") for the three months ended 31st March 2016 (the "Three-month Period") together with comparative figures for the corresponding period ended 31st March 2015 as follows:

Condensed Consolidated Statement of Profit or Loss of AcrossAsia Group

	Note	Three months ended 31st March	
		2016 HK\$'000	2015 HK\$'000
Revenue	3	555,193	487,887
Cost of sales and services rendered		(274,008)	(250,402)
Gross profit		281,185	237,485
Interest income		1,872	3,304
Net exchange gains/(losses)		13,231	(63,814)
Selling and distribution costs		(53,464)	(52,327)
General and administrative expenses		(358,773)	(301,898)
Loss from operations		(115,949)	(177,250)
Finance costs		(46,045)	(24,981)
Share of profits/(losses) of associates		1	(8,910)
Loss before tax		(161,993)	(211,141)
Income tax credit/(expense)	4	12,905	(30,797)
Loss for the period		(149,088)	(241,938)
Loss attributable to:			
Owners of the Company	5	(76,381)	(81,403)
Non-controlling interests		(72,707)	(160,535)
		(149,088)	(241,938)
Loss per share attributable to owners of the Company			
Basic (HK cents)	5	(1.51)	(1.61)
Diluted (HK cents)	5	N/A	N/A

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income of AcrossAsia Group

	Three months ended 31st March	
	2016 HK\$'000	2015 HK\$'000
Loss for the period	(149,088)	(241,938)
Other comprehensive income:		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	147,968	(168,828)
Fair value changes of available-for-sale financial assets	(4,461)	—
Total comprehensive income for the period	(5,581)	(410,766)
Total comprehensive income attributable to:		
Owners of the Company	(45,378)	(117,009)
Non-controlling interests	39,797	(293,757)
	(5,581)	(410,766)

Notes:

1. Basis of preparation and accounting policies

The unaudited condensed consolidated statement of profit or loss and condensed consolidated statement of profit or loss and other comprehensive income (the "Financial Statements") have been prepared in accordance with the applicable disclosures required by the GEM Listing Rules. They should be read in conjunction with the Annual Report 2015 of the Company (the "Annual Report").

The accounting policies and basis of preparation adopted in the preparation of the Financial Statements are consistent with those used in the Annual Report.

The audit committee has reviewed the Financial Statements of AcrossAsia Group for the Three-month Period.

The Financial Statements have been prepared on a consolidated and going concern basis.

1. Basis of preparation and accounting policies (Continued)

Consolidation of results of PT First Media Tbk ("First Media")

As disclosed in previous announcements, First Media, a 55.1% owned subsidiary of the Company, brought proceedings against the Company in Indonesia to recover the debt due under a facility agreement. On 5th March 2013, the Indonesian Court issued a bankruptcy order (the "Indonesian Bankruptcy Order") against the Company. On the same date, the Indonesian Court appointed three Indonesian receivers as receivers and curators of the Company, in bankruptcy (the "Receivers").

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.

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. 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.

2. Adoption of new and revised International Financial Reporting Standards

In the current period, AcrossAsia Group has adopted all the new and revised International Financial Reporting Standards ("IFRSs") that are relevant to its operations and effective for its accounting year beginning on 1st January 2016. IFRSs comprise International Financial Reporting Standards, International Accounting Standards and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to AcrossAsia Group's accounting policies, presentation of AcrossAsia Group's financial statements and amounts reported for the current period and prior years.

2. Adoption of new and revised International Financial Reporting Standards (Continued)

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

With respect to the application of IFRS 10 "Consolidated Financial Statements", the Annual Report provides a full explanation, including the Directors' view of the matter.

3. Turnover

	Three months ended 31st March	
	2016 HK\$'000	2015 HK\$'000
Subscription fees for cable television	146,671	130,110
Subscription fees for broadband Internet and network services	171,567	163,141
Data communication services	141,497	112,089
Sale of communication devices	23,953	35,212
Media sales	12,550	11,756
Ticket income, food and beverages	29,653	11,787
Others	29,302	23,792
	555,193	487,887

4. Income tax (credit)/expense

	Three months ended 31st March	
	2016 HK\$'000	2015 HK\$'000
Current tax — overseas	36,759	32,841
Deferred tax benefit	(49,664)	(2,044)
	(12,905)	30,797

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 (2015: Nil).

4. Income tax (credit)/expense (Continued)

Taxes charged on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which AcrossAsia Group operates, based on existing legislation, interpretation and practices in respect thereof.

The Company's subsidiaries incorporated and operating in Indonesia are subject to Indonesian income tax at a maximum rate of 25% (2015: 25%) of the individual entities' respective assessable profits in accordance with Indonesian income tax law.

5. Loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss attributable to owners of the Company for the Three-month Period of HK\$76,381,000 (2015: HK\$81,403,000) and 5,064,615,385 ordinary shares in issue for the Three-month Period and the corresponding period in 2015.

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary share for the Three-month Period and the corresponding period in 2015.

6. Condensed Consolidated Statement of Changes in Equity of AcrossAsia Group

For the Three-month Period

	Attributable to owners of the Company							
	Issued capital	Share premium	Investment revaluation reserve	Translation reserve	Retained profits/ (accumulated losses)		Non-controlling interests	Total equity
					Total			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st January 2015	50,646	414,318	—	(174,919)	144,752	434,797	2,808,815	3,243,612
Total comprehensive income for the period	—	—	—	(35,606)	(81,403)	(117,009)	(293,757)	(410,766)
At 31st March 2015	50,646	414,318	—	(210,525)	63,349	317,788	2,515,058	2,832,846
At 1st January 2016	50,646	414,318	3,240	(251,154)	(117,563)	99,487	2,208,977	2,308,464
Total comprehensive income for the period	—	—	(2,458)	33,461	(76,381)	(45,378)	39,797	(5,581)
At 31st March 2016	50,646	414,318	782	(217,693)	(193,944)	54,109	2,248,774	2,302,883

7. 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 1 to the financial statements. Segment profits or losses do not include share of results of associates, interest income, finance costs and corporate administrative expenses.

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

7. Segment Information (Continued)

Information about reportable segments' profit or loss:

	Multimedia services and broadband network services HK\$'000	Broadband wireless services HK\$'000	Cinema services HK\$'000	Others HK\$'000	Total HK\$'000
Three months ended 31st March 2016					
Revenue from external customers	382,332	121,796	29,653	21,412	555,193
Intersegment revenue	1,545	59,257	—	—	60,802
Segment profit/(loss)	105,290	(198,820)	(10,100)	684	(102,946)
Interest revenue	1,667	162	26	16	1,871
Interest expense	1,012	37,971	4,933	1,325	45,241
Depreciation and amortisation	82,809	93,145	7,267	3,332	186,553
Income tax expense/ (credit)	35,270	(48,175)	—	—	(12,905)
Three months ended 31st March 2015					
Revenue from external customers	353,985	106,430	11,787	15,685	487,887
Intersegment revenue	7,931	48,129	—	3,161	59,221
Segment profit/(loss)	95,780	(282,235)	(17,375)	(4,813)	(208,643)
Interest revenue	2,106	1,100	16	81	3,303
Interest expense	1,400	18,493	3,608	805	24,306
Depreciation and amortisation	64,548	101,683	3,854	1,983	172,068
Income tax expense/ (credit)	31,587	(790)	—	—	30,797

7. Segment Information (Continued)

Reconciliations of segments' revenue and profit or loss:

	Three months ended 31st March	
	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Revenue		
Total revenue of reportable segments	615,995	547,108
Elimination of intersegment revenue	(60,802)	(59,221)
Consolidated revenue	555,193	487,887
Profit or loss		
Total loss of reportable segments	(102,946)	(208,643)
Share of profits/(losses) of associates	1	(8,910)
Interest income	1,872	3,304
Finance costs	(46,045)	(24,981)
Corporate administrative expenses	(1,970)	(2,708)
Consolidated loss for the period	(149,088)	(241,938)

Geographical information

All the revenue generated by AcrossAsia Group for the two periods ended 31st March 2016 and 2015 was attributable to customers based in Indonesia. Accordingly, no geographical analysis is presented.

Revenue from major customers

None of AcrossAsia Group's customers contributed 10% or more of AcrossAsia Group's revenue during the Three-month Period and the corresponding period in 2015 and accordingly, no major customers information is presented.

8. 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 Annual Report 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:

"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.

8. Litigation (Continued)

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.

8. Litigation (Continued)

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."

On 4th March 2015, the Company filed a supplementary (amended) notice of appeal in respect of its Appeal. As noted in the Company's Annual 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.

8. Litigation (Continued)

Hong Kong Market Misconduct Tribunal (“MMT”) Proceedings

Reference is made to the Company’s Annual Report 2015.

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.

8. Litigation (Continued)

Singapore Court of Appeal's Decision

Reference is made to the Company's Annual 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 is now fixed for inquiry on 25th July 2016.

8. Litigation (Continued)

As noted in the Company's Annual Report 2015, the Board believes that the Singapore Court of Appeal's decision dated 11th September 2014 is highly favourable 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.

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 to succeed in the litigations in Hong Kong and Indonesia.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Three-month Period (2015: Nil).

FINANCIAL REVIEW

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

Revenue

AcrossAsia Group's revenue increased by 13.8% to HK\$555.2 million compared to HK\$487.9 million for the same period in 2015 mainly contributed by the increase in demand for broadband Internet and network services by HK\$37.9 million to HK\$313.1 million compared to HK\$275.2 million in the same period in 2015 and cable TV services by HK\$16.6 million to HK\$146.7 million compared to HK\$130.1 million in the same period in 2015. Furthermore, the wireless and cinema businesses acquired in the fourth quarter of 2014 also respectively generated HK\$24.0 million device sales and HK\$29.7 million ticket sales and food and beverages revenue compared to HK\$35.2 million and HK\$11.8 million for the same period in 2015.

Gross Profit

AcrossAsia Group's gross profit increased by 18.4% to HK\$281.2 million from HK\$237.5 million and its gross profit margin increased to 50.6% from 48.7% for the same period in 2015 mainly attributable to better cost control measures.

Loss from Operations

AcrossAsia Group recorded a loss from operations of HK\$115.9 million compared to HK\$177.3 million for the same period in 2015 mainly due to the increase in gross profit and exchange gains of HK\$13.2 million (2015: losses of HK\$63.8 million). Although total operating expenses (excluding other income and expenses) increased to HK\$412.2 million from HK\$354.2 million for the same period in 2015, the increase was compensated by the increase in gross profit.

Loss attributable to Owners

AcrossAsia Group recorded a loss attributable to the owners of the Company of HK\$76.4 million compared to HK\$81.4 million for the same period in 2015.

BUSINESS REVIEW

Multimedia services and broadband network services

AcrossAsia Group through PT First Media Tbk (a subsidiary of the Company listed on the Indonesian 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 and competitive environment in 2016.

First Media Group is a leading cable broadband ("FastNet") and pay TV ("HomeCable") operator in Indonesia with a network passing through over 1.7 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 for its residential customers. 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.

First Media Group continuously innovates to stay ahead of the game. 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 and offer more than 60 HD Channels and download speeds from 6 Mbps up to 200 Mbps across its coverage 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.

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’s residential network coverage expansion continues. As at 31st March 2016, it has added over 40 thousand homes passed to its HFC network. The number of broadband internet and cable TV subscribers continued their uptrend reaching over 472 thousand and 450 thousand, respectively.

Berita Satu as a news content service provider is broadcast through HomeCable with HD broadcast quality. Berita Satu has become a leading choice for HomeCable pay-TV network subscribers in search of the reliable and balanced information.

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 his 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).

As at 31st March 2016, the number of BWA customers has reached over 1.39 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 Rp20,000 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.

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 Rp40,000 depending on location, film and date/time/seasons.

Besides Maximum 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 March 2016, Cinemaxx owned and operated 18 cinema complexes with a total of 95 screens.

Other services

First Media Group is also developing other new businesses such as in-building network solutions and telephony.

PROSPECTS

Apart from growing its existing businesses, First Media Group plans to explore other potential business opportunities focused on the technology, media and telecommunications sector, and providing an end-to-end ecosystem for delivering integrated services in this digital era. First Media Group is well-positioned to take advantage of the huge opportunities in the largely underpenetrated Indonesian market.

DISCLOSURE OF INTERESTS IN SECURITIES

Directors and Chief Executive

As at 31st March 2016, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares (in respect of positions held pursuant to equity derivatives) and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as notified to the Company and the Stock Exchange under Rule 5.46 of the GEM Listing Rules or as otherwise required by Rule 23.07 of the GEM Listing Rules were as follows:

Long Position in Shares and Debentures of the Company and Associated Corporations

Mr. Albert Saychuan CHEOK was interested in 1,000,000 shares of the Company (representing approximately 0.02% of the issued share capital thereof).

Save as disclosed herein, none of the Directors or the chief executive of the Company were interested in any long position in the shares or debentures of the Company or any of its associated corporations.

Long Position in Underlying Shares of the Company and Associated Corporations

(i) *Physically settled equity derivatives*

None of the Directors or 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 March 2016, 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 March 2016, 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 the Three-month Period. There was a chance that such businesses might have competed with AcrossAsia Group during the Three-month Period.

Save as disclosed herein, the Directors are not aware of any business or interest of the Directors, the substantial shareholders and their respective associates (as defined under the GEM Listing Rules) that have competed or may compete with the business of AcrossAsia Group and any other conflicts of interests which any such person had or may have with AcrossAsia Group.

AUDIT COMMITTEE

The Board established an audit committee (the “Audit Committee”) on 23rd June 2000 with written terms of reference in accordance with Rules 5.28 and 5.29 of the GEM Listing Rules. The primary duties of the Audit Committee are, inter alia, to review and monitor the financial reporting and audit matters as well as the financial control, internal control and risk management systems of AcrossAsia Group. The Audit Committee has met four times this year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SHARES

During the Three-month Period, there was no purchase, sale or redemption of the shares of the Company by the Company or any of its subsidiaries.

By Order of the Board
Vicente B. ANG
Director and Chief Executive Officer

Hong Kong, 25 July 2016