

ACROSS ASIA LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8061)

Annual Report
2016

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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this Annual Report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Annual Report.

This Annual Report, for which the Directors of AcrossAsia Limited (the “Company”) (namely, executive Director: Mr. Vicente Binalhay ANG; and independent non-executive Directors: 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 Annual Report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Annual Report misleading.

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Corporate Information

DIRECTORS

Executive Director

Vicente Binalhay ANG (*Chief Executive Officer*)

Independent non-executive Directors

Dr. Boh Soon LIM (*Chairman of the Board*)

Thomas Yee Man LAW

Ganesh Chander GROVER

COMPANY SECRETARY

Vicente Binalhay ANG

COMPLIANCE OFFICER

Vicente Binalhay ANG

AUDIT COMMITTEE

Ganesh Chander GROVER

(*Chairman of the Audit Committee*)

Dr. Boh Soon LIM

Thomas Yee Man LAW

REMUNERATION COMMITTEE

Dr. Boh Soon LIM

(*Chairman of the Remuneration Committee*)

Ganesh Chander GROVER

Thomas Yee Man LAW

NOMINATION COMMITTEE

Dr. Boh Soon LIM

(*Chairman of the Nomination Committee*)

Ganesh Chander GROVER

Thomas Yee Man LAW

AUTHORISED REPRESENTATIVES

Vicente Binalhay ANG

Thomas Yee Man LAW

AUTHORISED PERSON TO ACCEPT SERVICE OF PROCESS AND NOTICES

Alice Yeuk Ki LO

REGISTERED OFFICE

The offices of Maples Corporate Services Limited

PO Box 309, Ugland House

Grand Cayman, KY1-1104

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

11th Floor, Kwan Chart Tower

6 Tonnochy Road, Wanchai

Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited

4th Floor, Royal Bank House

24 Shedden Road, George Town

Grand Cayman KY1-1110

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited

Level 22, Hopewell Centre,

183 Queen's Road East,

Hong Kong

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong Law:

Howse Williams Bowers

27th Floor, Alexandra House

18 Chater Road, Central

Hong Kong

Reed Smith Richards Butler

20th Floor, Alexandra House

18 Chater Road, Central

Hong Kong

As to Cayman Islands Law:

Maples and Calder

53rd Floor, The Center

99 Queen's Road Central

Hong Kong

AUDITOR

RSM Hong Kong

Certified Public Accountants

29th Floor

Lee Garden Two

28 Yun Ping Road

Causeway Bay

Hong Kong

PRINCIPAL BANKER

China CITIC Bank International Limited

Lippo Centre, 89 Queensway

Hong Kong

STOCK CODE

8061

WEBSITES OF THE COMPANY

www.across-asia.com

Chairman's Statement

On behalf of the Board of Directors (the "Board") of the Company, I present the Annual Report of the Company and its subsidiaries (collectively "AcrossAsia Group") for the financial year ended 31st December 2016 ("2016") to our shareholders.

As detailed in Notes 4 and 33 to the consolidated financial statements, the Board was advised by its Indonesian Lawyers that according to the latest information published on the website of the Indonesian Supreme Court, the Company's petition for judicial review of its Indonesian Bankruptcy Order had been rejected by the Indonesian Supreme Court as of 14th September 2016. As a result, the Directors concluded that the Company had finally lost control over PT First Media Tbk ("First Media"), and the assets and liabilities of First Media and its subsidiaries should have been deconsolidated from 5th March 2013.

The deconsolidation of First Media immediately created two challenges to the Company:

(1) Realisation of investment in First Media

The Indonesian Bankruptcy Order may affect the Company's ability to realise this investment and therefore there is no assurance as to the amount that can be recovered from such realisation. Coupled with our ongoing Hong Kong litigations, this could materially affect our ability to secure long term funding.

(2) Sufficiency of operations or assets

Due to its lack of sufficient operations or assets, the Company would no longer satisfy the requirements to support its listing status. The situation is further aggravated by the significant uncertainties arising from the Company's ongoing litigations which may take years to resolve. Therefore the Board is of the view that it would be difficult to propose a plan to deal with the lack of sufficient operations or assets under these circumstances.

On 18th November 2016, the Stock Exchange notified the Company that it has decided to proceed with cancellation of the Company's listing under the GEM Listing Rules and the Company was requested to submit a resumption proposal to demonstrate that it has a sufficient level of operations or assets as required by the GEM Listing Rules at least 10 business days before 17th May 2017. If the Company fails to submit a viable resumption proposal by the aforesaid deadline, the Stock Exchange will proceed with cancellation of the Company's listing.

On 2nd March 2017 the Board, through its financial advisor, Altus Capital Limited, wrote to the Stock Exchange to inform them, among other things, that there is little chance for the Company to comply with Rule 17.26 of the GEM Listing Rules given the financial issues set out above and that the Board would like to seek its guidance.

The Board will continue to update the shareholders for any new developments.

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.

Dr. Boh Soon LIM

Chairman

Hong Kong, 17th March 2017

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:

| | 2016 <i>HK\$'000</i> | 2015 <i>HK\$'000</i> (restated) | 2014 <i>HK\$'000</i> (restated) | 2013 <i>HK\$'000</i> (restated) | 2012 <i>HK\$'000</i> |
|---|--------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|-------------------------|
| CONSOLIDATED RESULTS | | | | | |
| Revenue | — | — | — | 317,050 | 1,091,166 |
| Gross profit | — | — | — | 216,251 | 773,391 |
| Loss after tax but before non-controlling interests | (17,705) | (23,686) | (18,951) | (465,886) | (27,064) |
| Loss attributable to owners of the Company | (17,705) | (23,686) | (18,760) | (474,680) | (89,879) |
| CONSOLIDATED ASSETS & LIABILITIES | | | | | |
| Equity attributable to owners of the Company | 20,799 | 376,198 | 932,980 | (245,944) | 159,549 |
| Non-current assets | 669,009 | 1,003,516 | 1,550,277 | 354,336 | 2,190,249 |
| Current assets | 2,419 | 2,275 | 1,544 | 10,556 | 961,287 |
| Current liabilities | 647,451 | 626,502 | 615,385 | 607,128 | 883,271 |
| Non-current liabilities | 16,839 | 16,375 | 18,305 | 18,662 | 925,608 |

Note: Restatement of figures of 2013, 2014 and 2015 was made as a result of deconsolidation of First Media as from 5th March 2013. Please refer to Note 4 to the consolidated financial statements for details.

FINANCIAL REVIEW

AcrossAsia Group's results for 2016 (with 2015 comparative figures restated as a result of deconsolidation of First Media) were analysed as follows:

Revenue

After deconsolidation of First Media, AcrossAsia Group no longer has any operating subsidiaries or revenue.

Loss from Operations and Attributable to Owners

AcrossAsia Group recorded a loss from operations and loss attributable to the owners of the Company of HK\$17,705,000 compared to HK\$23,686,000 (restated) in 2015 mainly due to cost saving measures. However, operating expenses during the year were substantially represented by legal and professional fees of HK\$8,152,000 (2015: HK\$14,820,000 (restated)) mainly arising from the Company's ongoing litigations.

Finance Resources and Capital Structure

As a result of the deconsolidation of First Media, AcrossAsia Group did not have any significant operations during the year. The value of its assets and its equity are mainly affected by the carrying amount of its investment in First Media, which is its only significant asset whose value is determined by the market price of shares of First Media and the exchange rate of the Indonesian Rupiah.

The Indonesian Bankruptcy Order may affect the Company's ability to realise this investment and therefore there is no assurance as to the amount that can be recovered from such realisation. Coupled with our ongoing Hong Kong litigations, this could materially affect our ability to secure long term funding.

The Directors have recently managed to secure a facility to support the day-to-day operations of the Company in the short term.

BUSINESS REVIEW AND PROSPECTS

First Media was the principal operating subsidiary of the Company and its shares are its most valuable asset. Following the deconsolidation of First Media, the Company would no longer have a sufficient level of operations nor have any tangible assets of sufficient value and/or intangible assets of a sufficient potential value to support the continued listing of its securities on the Stock Exchange pursuant Rule 17.26 of GEM Listing Rules. The Company's situation is also aggravated by the significant uncertainties arising from both the timing and the outcome of its ongoing litigation and proceedings in Hong Kong and the impending implications of the Indonesian Bankruptcy Order, as detailed in the consolidated financial statements. Based on legal advice obtained, the Directors understood that both issues may take years to resolve. Consequently, the Company is now working closely with its legal and financial advisors to address these challenges and to identify the best course of action for the Company going forward. The Company may also seek advice from the Stock Exchange as and when appropriate.

EMPLOYEES

As a result of the deconsolidation of First Media, AcrossAsia Group only had its Directors but there were no other employees as at 31st December 2015 and 31st December 2016. Their remuneration is detailed in Note 14 to the consolidated financial statements.

Directors and Senior Management

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 66, joined the Board as an independent non-executive Director in February 2006 and was appointed the Chairman of the Board in October 2008. Before his retirement on 26th August 2016, he was also the Chairman of the Audit Committee, Remuneration Committee and Nomination Committee of the Board and a director of a subsidiary of the Company.

Dr. Boh Soon LIM, aged 61, has been an independent non-executive Director of the Company since May 2006 and was appointed as the Chairman of the Board in August 2016. He is the Chairman of the Remuneration Committee and Nomination Committee of the Board and also a member of the Audit Committee. 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.

Mr. Thomas Yee Man LAW, aged 59, has been an independent non-executive Director since May 2010 and an Authorised Representative of the Company since November 2013. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Board. 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.

Directors and Senior Management

Mr. Ganesh Chander GROVER, aged 78, has been an independent non-executive Director and a member of Nomination Committee and Remuneration Committee since May 2016. He is also the Chairman of the Audit Committee of the Board. He 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 from 1997 to August 2016. 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

As a result of the deconsolidation of First Media, AcrossAsia Group no longer has employees other than its Directors.

Corporate Governance Report

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 2016.

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 2016, the Board held 7 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"), retired on 26th August 2016 | 5/5 | 100% |
| Mr. Vicente Binalhay ANG ("Mr. Ang") | 7/7 | 100% |
| Dr. Boh Soon LIM ("Dr. Lim") | 7/7 | 100% |
| Mr. Thomas Yee Man LAW ("Mr. Law") | 7/7 | 100% |
| Mr. Ganesh Chander GROVER ("Mr. Grover"), appointed on 18th May 2016 | 6/6 | 100% |

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

The Board is responsible for the overall management of the Company in accordance with the Articles of Association of the Company (the "Articles") and is entitled to delegate its powers to any executive Director and Board Committees. 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 in accordance with specific terms of reference and normal corporate practices and procedures. The executive Director and Board Committees 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 2016, 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 (<i>retired on 26th August 2016</i>) | √ | √ |
| Mr. Ang | √ | √ |
| Dr. Lim | √ | √ |
| Mr. Law | √ | √ |
| Mr. Grover (<i>appointed on 18th May 2016</i>) | √ | √ |

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 is an independent non-executive Director and generally chairs all the Board meetings and general meetings. Mr. Cheok was the Chairman of the Board until he retired on 26th August 2016. His vacancy was filled by Dr. Lim on the same date. 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.

NON-EXECUTIVE DIRECTORS

Mr. Cheok retired on 26th August 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;

Corporate Governance Report

- (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 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 in relation to corporate governance.

During 2016, 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 three independent non-executive Directors, namely, Dr. Lim (being the Chairman of the Remuneration Committee from 26 August 2016), Mr. Law and Mr. Grover. 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 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.

The Remuneration Committee has met once during 2016 and the attendance of the members is as follows:

| Name of Member | Number of Attendance | Percentage of Attendance |
|--|-----------------------------|---------------------------------|
| Mr. Cheok (<i>Chairman of the Remuneration Committee until he retired on 26th August 2016</i>) | 1/1 | 100% |
| Dr. Lim (<i>became Chairman of the Remuneration Committee on 26th August 2016</i>) | 1/1 | 100% |
| Mr. Law (<i>appointed as a member on 26th August 2016</i>) | 1/1 | 100% |
| Mr. Grover (<i>appointed as a member on 18th May 2016</i>) | 0/0 | 0% |

During 2016, 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.

Corporate Governance Report

The Board approved the recommendation of the Remuneration Committee for revision of the aforesaid remuneration policy with effect from 1st January 2016. Details of the remuneration paid to the directors as set out in Note 14 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 three independent non-executive Directors, namely, Dr. Lim (being the Chairman of the Nomination Committee from 26th August 2016), Mr. Law and Mr. Grover.

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 2016 and the attendance of the members is as follows:

| Name of Member | Number of Attendance | Percentage of Attendance |
|--|-----------------------------|---------------------------------|
| Mr. Cheok (<i>Chairman of the Nomination Committee until he retired on 26th August 2016</i>) | 1/1 | 100% |
| Dr. Lim (<i>became Chairman of the Nomination Committee on 26th August 2016</i>) | 1/1 | 100% |
| Mr. Law (<i>appointed as a member on 26th August 2016</i>) | 1/1 | 100% |
| Mr. Grover (<i>appointed as a member on 18th May 2016</i>) | 0/0 | 0% |

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. Grover (being the Chairman of the Audit Committee from 26th August 2016), 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 6 times during 2016 and the attendance of the members is as follows:

| Name of Member | Number of Attendance | Percentage of Attendance |
|---|-----------------------------|---------------------------------|
| Mr. Cheok (<i>Chairman of the Audit Committee until he retired on 26th August 2016</i>) | 5/5 | 100% |
| Mr. Grover (<i>became Chairman of the Audit Committee since 26th August 2016</i>) | 4/4 | 100% |
| Dr. Lim | 6/6 | 100% |
| Mr. Law | 6/6 | 100% |

During 2016, 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 and the Auditor of the Company, and making recommendations to the Board.

Corporate Governance Report

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 external auditor about significant risks or exposures facing AcrossAsia Group. As the Company operates only as a holding company and does not have any operating subsidiary, the monitoring of internal control system includes planning, documentation of systems, identification and evaluation of controls and the reporting of recommendations for internal controls improvements for the Company only.

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 Audit Committee.

The period of the review of the system of internal controls covers 2016 and the Board is of the view that 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 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 2016 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.

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\$500,000. During 2016, the Auditor of the Company also provided non-audit services in the sum of HK\$200,000.

SHAREHOLDERS' RIGHTS

Shareholders to convene extraordinary general meeting and put forward proposals

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

- (1) All the requisitionist(s) should sign a written requisition stating the objects of the meeting to be convened, and deposit the same at the principal place of business of the Company in Hong Kong.
- (2) The requisition will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the requisition is proper and in order, the Company Secretary will ask the Board to convene an EGM by serving sufficient notice to all the registered Shareholders in accordance with the requirements set out in the GEM Listing Rules and the Articles.

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

Shareholders to propose a person for election as a Director

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

Shareholders' enquiries to the Board

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

COMMUNICATION WITH SHAREHOLDERS

During 2016, 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 2016 (the "AGM 2016") was held on 26th August 2016. The attendance of the Directors is as follows:

| Name of Director | Number of Attendance | Percentage of Attendance |
|--|----------------------|--------------------------|
| Mr. Cheok (<i>retired on 26th August 2016</i>) | 1/1 | 100% |
| Dr. Lim | 1/1 | 100% |
| Mr. Law | 1/1 | 100% |
| Mr. Ang | 1/1 | 100% |
| Mr. Grover | 1/1 | 100% |



Corporate Governance Report

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 the Articles. During the year, no amendments were made to the constitutional documents of the Company.

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

BUSINESS REVIEW

A discussion of AcrossAsia Group's business is set out in Management Review on page 5.

PRINCIPAL ACTIVITIES

As a result of the deconsolidation of First Media, AcrossAsia Group did not have any significant operations and the Company was principally engaged in investment holding during the year.

CUSTOMERS AND SUPPLIERS

As a result of the deconsolidation of First Media, AcrossAsia Group did not have any customer or major supplier, other than providers of legal and professional services, as at 31st December 2016 and 2015.

RESULTS AND APPROPRIATIONS

Details of AcrossAsia Group's financial performance for 2016 are set out in the consolidated statement of profit or loss on page 22.

The Directors do not recommend the payment of a final dividend in respect of 2016.

PENSION COSTS

As a result of the deconsolidation of First Media, AcrossAsia Group did not have any staff apart from its Directors, and therefore did not incur any pension costs for 2016.

SHARE CAPITAL

Details of share capital are set out in Note 24 to the consolidated financial statements.

RESERVES

Movements in reserves and accumulated losses of AcrossAsia Group during 2016 are set out in the consolidated statement of changes in equity on page 26.

ENVIRONMENT POLICIES AND PERFORMANCE

As a result of the deconsolidation of First Media, AcrossAsia Group did not have any operation and therefore had insignificant impact on the environment. Therefore the Directors consider that it is unnecessary to design or implement policy or procedures to minimize waste, maximize efficiencies or reduce negative impact to the environment.

It is understood by the directors that the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited ("GEM Listing Rules") requires that issuers must publish their Environmental, Social and Governance Report ("ESG Report") on an annual basis, regarding the same period covered in their annual reports. Where an ESG Report is not presented in an annual report, the issuer should publish the ESG Report no later than three months after the publication of the annual report.

Report of the Directors

The directors note that the obligation is to “comply or explain” in relation to the disclosure obligations provisions set out in Appendix 20 of the GEM Listing Rules, and if it does not report on one or more of these provisions, it must provide reasons.

The directors note that the Company has not complied with the obligation to prepare an ESG Report. The directors have decided not to prepare and publish an ESG Report in this annual report, as the Company’s share trading in the Stock Exchange has been suspended since 12th October 2016 and it no longer has a sufficient level of operations following the deconsolidation of First Media Group, nor has any tangible assets of sufficient value and/or intangible assets for which a sufficient potential value can be demonstrated to the Stock Exchange to support the continued listing of its securities on the Stock Exchange. Furthermore, the Company does not have any business operations (other than having a registered place of business) in Hong Kong.

Given the circumstances, the directors believe that preparing an ESG Report would be impractical and would not be of any value to the shareholders.

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

During 2016, 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 18 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment during 2016 are set out in Note 17 to the consolidated financial statements.

INTEREST-BEARING BORROWING

Particulars of interest-bearing borrowing as at 31st December 2016 are set out in Note 27 to the consolidated financial statements.

RELATED PARTY TRANSACTIONS

As a result of the deconsolidation of First Media, AcrossAsia Group did not have any related party transactions during 2016.

DIRECTORS

The Directors who held office during 2016 and up to the date of this report were:

Executive Director

Mr. Vicente Binalhay ANG

Independent non-executive Directors

Mr. Albert Saychuan CHEOK (*Retired on 26th August 2016*)
Dr. Boh Soon LIM
Mr. Thomas Yee Man LAW
Mr. Ganesh Chander GROVER (*appointed on 18th May 2016*)

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

DIRECTORS' SERVICE CONTRACTS

Mr. Cheok retired on 26th August 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

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 had a material interest, whether directly or indirectly, subsisted at the end of 2016 or at any time during 2016.

DISCLOSURE OF INTERESTS IN SECURITIES

Directors and Chief Executive

As at 31st December 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. Cheok, before his retirement on 26th August 2016, 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.

Report of the Directors

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 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 December 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 2016. There was a chance that such businesses might have competed with AcrossAsia Group during 2016.

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.

On behalf of the Board
Dr. Boh Soon LIM
Chairman

Hong Kong, 17th March 2017

Independent Auditor's Report



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

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of AcrossAsia Limited (the "Company") and its subsidiaries (the "Group") set out on pages 22 to 64, which comprise the consolidated statement of financial position as at 31st December 2016, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. 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.

BASIS FOR DISCLAIMER OF OPINION

As disclosed in Note 2 to the consolidated financial statements, the Group incurred a loss of HK\$17,705,000 for the year ended 31st December 2016 and as at 31st December 2016 the Group had net current liabilities of HK\$645,032,000. Furthermore, there were pending garnishee and related proceedings in Hong Kong and Indonesia, details of which are disclosed in Note 33 to the consolidated financial statements.

Pursuant to the Indonesian bankruptcy order, the Company has lost its right to control and manage its assets in Indonesia including the listed shares of PT First Media Tbk. The Company is unable to realise its assets, principally its investment in PT First Media Tbk, and may not be able to discharge all of its liabilities. Coupled with the Company's ongoing litigations in Hong Kong, it has materially affected the Company's ability to secure adequate long term funding to meet its financial obligations as they fall due in the foreseeable future.

The directors have recently managed to secure a facility to support the day-to-day operations in the short term. Accordingly, the consolidated financial statements have been prepared on a going concern basis. However, as of the date of our report, adequate committed financing is not yet in place.

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.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the 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.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

The engagement partner on the audit resulting in this independent auditor's report is Wong Tak Man, Stephen.

RSM Hong Kong
Certified Public Accountants

Hong Kong

17th March 2017

Consolidated Statement of Profit or Loss

For the year ended 31st December 2016

| | Note | 2016 HK\$'000 | 2015 HK\$'000 (restated) |
|-------------------------------------|------|------------------|--------------------------------|
| Revenue | 7 | — | — |
| Other income | 8 | 79 | 88 |
| Net foreign exchange (losses)/gains | | (3) | 55 |
| General and administrative expenses | | (14,368) | (20,976) |
| Loss from operations | | (14,292) | (20,833) |
| Finance costs | 10 | (3,413) | (2,853) |
| Loss before tax | | (17,705) | (23,686) |
| Income tax expense | 11 | — | — |
| Loss for the year | 12 | (17,705) | (23,686) |
| Attributable to: | | | |
| Owners of the Company | | (17,705) | (23,686) |
| Non-controlling interests | | — | — |
| | | (17,705) | (23,686) |
| Loss per share | 16 | | |
| — basic (HK cents) | | (0.35) | (0.47) |
| — diluted (HK cents) | | N/A | N/A |

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st December 2016

| | 2016 HK\$'000 | 2015 HK\$'000 (restated) |
|--|------------------|--------------------------------|
| Loss for the year | (17,705) | (23,686) |
| Other comprehensive income: | | |
| <i>Items that may be reclassified to profit or loss:</i> | | |
| Exchange differences on translation of foreign operations | (3,421) | 14,227 |
| Fair value changes of available-for-sale financial assets | (334,650) | (545,758) |
| Other comprehensive income for the year, net of tax | (338,071) | (531,531) |
| Total comprehensive income for the year | (355,776) | (555,217) |
| Attributable to: | | |
| Owners of the Company | (355,399) | (556,782) |
| Non-controlling interests | (377) | 1,565 |
| | (355,776) | (555,217) |

Consolidated Statement of Financial Position

As at 31st December 2016

| | Note | 31st December 2016 HK\$'000 | 31st December 2015 HK\$'000 (restated) | 1st January 2015 HK\$'000 (restated) |
|---|------|-----------------------------------|---|---|
| Non-current assets | | | | |
| Property, plant and equipment | 17 | 8 | 20 | 26 |
| Available-for-sale financial assets | 19 | 668,452 | 1,003,102 | 1,548,860 |
| Non-current prepayments, deposits and receivables | 20 | 549 | 394 | 1,391 |
| | | 669,009 | 1,003,516 | 1,550,277 |
| Current assets | | | | |
| Due from a related company | 21 | — | 2 | 2 |
| Prepayments, deposits and other current assets | 22 | 2,267 | 2,114 | 1,377 |
| Bank and cash balances | 23 | 152 | 159 | 165 |
| | | 2,419 | 2,275 | 1,544 |
| TOTAL ASSETS | | 671,428 | 1,005,791 | 1,551,821 |

Consolidated Statement of Financial Position

As at 31st December 2016

| | Note | 31st December 2016 HK\$'000 | 31st December 2015 HK\$'000 (restated) | 1st January 2015 HK\$'000 (restated) |
|--|------|-----------------------------------|---|---|
| Capital and reserves | | | | |
| Share capital | 24 | 50,646 | 50,646 | 50,646 |
| Reserves | 26 | (29,847) | 325,552 | 882,334 |
| Equity attributable to owners of the Company | | 20,799 | 376,198 | 932,980 |
| Non-controlling interests | | (13,661) | (13,284) | (14,849) |
| Total equity | | 7,138 | 362,914 | 918,131 |
| Non-current liabilities | | | | |
| Due to related companies | 29 | 16,839 | 16,375 | 18,305 |
| Current liabilities | | | | |
| Interest-bearing borrowing | 27 | 93,000 | 93,000 | 93,000 |
| Other loan | 28 | 362,502 | 362,502 | 362,502 |
| Due to a related company | 29 | 4,000 | 4,000 | 4,000 |
| Other payables and accruals | 30 | 187,949 | 167,000 | 155,883 |
| | | 647,451 | 626,502 | 615,385 |
| Total liabilities | | 664,290 | 642,877 | 633,690 |
| TOTAL EQUITY AND LIABILITIES | | 671,428 | 1,005,791 | 1,551,821 |
| Net current liabilities | | (645,032) | (624,227) | (613,841) |
| Total assets less current liabilities | | 23,977 | 379,289 | 936,436 |

Approved by the Board of Directors on 17th March 2017 and are signed on its behalf by:

Ganesh Chander GROVER
Director

Vicente Binalhay ANG
Director

Consolidated Statement of Changes in Equity

For the year ended 31st December 2016

| | Attributable to owners of the Company | | | | | | | Non-controlling interests | Total equity |
|---|---------------------------------------|-----------------------|--------------------------------|---------------------|---------------------------------------|-----------|-------------|---------------------------|--------------|
| | Issued capital | Share premium account | Investment revaluation reserve | Translation reserve | Retained profits/(accumulated losses) | Total | | | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| At 1st January 2015, as previously reported | 50,646 | 414,318 | — | (174,919) | 144,752 | 434,797 | 2,808,815 | 3,243,612 | |
| Retrospective restatement (Note 4) | — | — | 1,126,204 | 229,218 | (857,239) | 498,183 | (2,823,664) | (2,325,481) | |
| At 1st January 2015, as restated | 50,646 | 414,318 | 1,126,204 | 54,299 | (712,487) | 932,980 | (14,849) | 918,131 | |
| Loss for the year | — | — | — | — | (23,686) | (23,686) | — | (23,686) | |
| Other comprehensive income for the year | — | — | (545,758) | 12,662 | — | (533,096) | 1,565 | (531,531) | |
| Total comprehensive income for the year | — | — | (545,758) | 12,662 | (23,686) | (556,782) | 1,565 | (555,217) | |
| At 31st December 2015 | 50,646 | 414,318 | 580,446 | 66,961 | (736,173) | 376,198 | (13,284) | 362,914 | |
| At 1st January 2016, as previously reported | 50,646 | 414,318 | 3,240 | (251,154) | (117,563) | 99,487 | 2,208,977 | 2,308,464 | |
| Retrospective restatement (Note 4) | — | — | 577,206 | 318,115 | (618,610) | 276,711 | (2,222,261) | (1,945,550) | |
| At 1st January 2016, as restated | 50,646 | 414,318 | 580,446 | 66,961 | (736,173) | 376,198 | (13,284) | 362,914 | |
| Loss for the year | — | — | — | — | (17,705) | (17,705) | — | (17,705) | |
| Other comprehensive income for the year | — | — | (334,650) | (3,044) | — | (337,694) | (377) | (338,071) | |
| Total comprehensive income for the year | — | — | (334,650) | (3,044) | (17,705) | (355,399) | (377) | (355,776) | |
| At 31st December 2016 | 50,646 | 414,318 | 245,796 | 63,917 | (753,878) | 20,799 | (13,661) | 7,138 | |

Consolidated Statement of Cash Flows

For the year ended 31st December 2016

| | 2016 HK\$'000 | 2015 HK\$'000 (restated) |
|---|------------------|--------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before tax | (17,705) | (23,686) |
| Adjustments for: | | |
| Finance costs | 3,413 | 2,853 |
| Depreciation | 14 | 12 |
| Operating loss before working capital changes | (14,278) | (20,821) |
| (Increase)/decrease in prepayments, deposits and other current assets | (296) | 213 |
| Increase in other payables and accruals | 17,982 | 23,461 |
| Net cash generated from operating activities | 3,408 | 2,853 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of property, plant and equipment | (2) | (6) |
| Net cash used in investing activities | (2) | (6) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | (3,413) | (2,853) |
| Net cash used in financing activities | (3,413) | (2,853) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (7) | (6) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 159 | 165 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 152 | 159 |
| ANALYSIS OF CASH AND CASH EQUIVALENTS | | |
| Bank and cash balances | 152 | 159 |

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

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 subsidiary are set out in Note 18 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 2016, 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. 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") and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by AcrossAsia Group are disclosed in Note 5.

AcrossAsia Group incurred a loss of HK\$17,705,000 for the year ended 31st December 2016 and as at 31st December 2016 AcrossAsia Group had net current liabilities of HK\$645,032,000. Furthermore, there were pending garnishee and related proceedings in Hong Kong and Indonesia, details of which are set out in Note 33 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 AcrossAsia Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors note the above material uncertainty and are also cognisant of the severe difficulties facing the Company. Accordingly, the Directors have recently managed to secure a facility to support the day-to-day operations of the Company in the short term.

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 AcrossAsia 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.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

(a) Application of new and revised IFRSs

The International Accounting Standards Board issued a number of new and revised IFRSs that are first effective for annual periods beginning on or after 1st January 2016. Of these, the following new or revised IFRSs are relevant to AcrossAsia Group:

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in their separate financial statements have to apply that change retrospectively.

Amendments to IAS 1 Presentation of Financial Statements: Disclosure Initiative

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify various presentation issues relating to:

- Assessment of materiality versus minimum disclosure requirements of a standard.
- Disaggregation of specific line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position. There is also new guidance on the use of subtotals.
- Confirmation that the notes do not need to be presented in a particular order.
- Presentation of other comprehensive income items arising from equity-accounted associates and joint ventures.

None of these developments have had a material effect on how AcrossAsia Group's results and financial position for the current or prior periods have been prepared or presented.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

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

(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 2016. These new and revised IFRSs include the following which may be relevant to AcrossAsia Group.

| | Effective for accounting periods beginning on or after |
|---|---|
| Amendments to IAS 7 Statement of Cash Flows: Disclosure initiative | 1st January 2017 |
| Amendments to IAS 12 Income Taxes: Recognition of deferred tax assets for unrealised losses | 1st January 2017 |
| IFRS 9 Financial Instruments | 1st January 2018 |

AcrossAsia Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far AcrossAsia Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. As AcrossAsia Group has not completed its assessment, further impacts may be identified in due course.

IFRS 9 Financial Instruments

The standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

AcrossAsia Group's financial assets that are currently classified as available-for-sale include certain listed equity securities. AcrossAsia Group expects to irrevocably designate these equity securities as fair value through other comprehensive income. This will give rise to a change in accounting policy. The listed equity securities are currently measured at fair value with fair value changes recognised in other comprehensive income until disposal or impairment at which point the fair value gains or losses are recycled to profit or loss. Under IFRS 9 recycling of the fair value gains and losses is not permitted.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

4. RETROSPECTIVE RESTATEMENT

PT First Media Tbk (“First Media”), a 55.1% owned company of the Company which was classified as a subsidiary previously, brought proceedings against the Company in Indonesia to recover the debt due under a 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.

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 above, the consolidated financial statements of AcrossAsia Group for the years ended 31st December 2013, 2014 and 2015 include the financial position of First Media and its subsidiaries (collectively referred to as “First Media Group”) as at 31st December 2013, 2014 and 2015 and the results of First Media Group for the period from 5th March 2013 to 31st December 2013 and the years ended 31st December 2014 and 2015 as the Directors considered that the Company was still appropriate to consolidate First Media Group due to the fact that the Indonesian Bankruptcy Order was yet to be finalised. Although the Company’s appeal to the Supreme Court of Indonesia against the Indonesian Bankruptcy Order was dismissed on 31st July 2013, the Company was entitled to make a final appeal by way of a petition for judicial review against the decision of the Supreme Court of Indonesia (the “Judicial Review”).

The petition for Judicial Review was filed on 2nd March 2016. On 12th October 2016 the Board was advised by its Indonesian Lawyers that according to the latest information published on the website of the Indonesian Supreme Court, its petition for the Judicial Review has been rejected by the Indonesian Supreme Court. As noted in Note 33 to the consolidated financial statements, it is a decision reached by the highest level of the Indonesian court system. Consequently, if the official decision by the Indonesian Supreme Court is received by the Company, the Indonesian Bankruptcy Order would be deemed to have taken effect as of the date it was made by the Indonesian Court.

The Directors have reassessed the Company’s control over First Media based on IFRS 10 “Consolidated Financial Statements”, that the Company has lost control over First Media upon the appointment of the Receivers on 5th March 2013. Following the rejection of its petition for Judicial Review as explained above, the Directors concluded that the Company had finally lost control over First Media. 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 Group should have been deconsolidated from the date control of First Media Group ceased on 5th March 2013. Accordingly, AcrossAsia Group’s consolidated financial statements for the year ended 31st December 2015 have been restated retrospectively.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

4. RETROSPECTIVE RESTATEMENT (Continued)

The effects of retrospective restatement are summarised below:

(a) Consolidated statement of profit or loss for the year ended 31st December 2015

| | As previously reported | Effect of restatement | As restated |
|---|---------------------------|--------------------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Revenue | 2,063,948 | (2,063,948) | — |
| Cost of sales and services rendered | (1,121,313) | 1,121,313 | — |
| Gross profit | 942,635 | (942,635) | — |
| Other income | 32,505 | (32,417) | 88 |
| Net foreign exchange (losses)/gains | (113,140) | 113,195 | 55 |
| Selling and distribution costs | (197,920) | 197,920 | — |
| General and administrative expenses | (1,300,041) | 1,279,065 | (20,976) |
| Loss from operations | (635,961) | 615,128 | (20,833) |
| Finance costs | (183,906) | 181,053 | (2,853) |
| Share of losses of associates | (11,550) | 11,550 | — |
| Fair value gain on derivative financial instruments | 16,478 | (16,478) | — |
| Loss before tax | (814,939) | 791,253 | (23,686) |
| Income tax expense | (15,741) | 15,741 | — |
| Loss for the year | (830,680) | 806,994 | (23,686) |
| Attributable to: | | | |
| Owners of the Company | (278,504) | 254,818 | (23,686) |
| Non-controlling interests | (552,176) | 552,176 | — |
| | (830,680) | 806,994 | (23,686) |
| Loss per share | | | |
| — basic (HK cents) | (5.50) | — | (0.47) |
| — diluted (HK cents) | N/A | — | N/A |

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

4. RETROSPECTIVE RESTATEMENT (Continued)

(b) Consolidated statement of profit or loss and other comprehensive income for the year ended 31st December 2015

| | As previously reported | Effect of restatement | As restated |
|--|---------------------------|--------------------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Loss for the year | (830,680) | 806,994 | (23,686) |
| Other comprehensive income: | | | |
| <i>Items that will not be reclassified to profit or loss:</i> | | | |
| Remeasurement losses on defined benefit pension plans | (1,670) | 1,670 | — |
| Income tax on item that will not be reclassified to profit or loss | 417 | (417) | — |
| | (1,253) | 1,253 | — |
| <i>Items that may be reclassified to profit or loss:</i> | | | |
| Exchange differences on translation of foreign operations | (337,179) | 351,406 | 14,227 |
| Fair value changes of available-for-sale financial assets | 5,880 | (551,638) | (545,758) |
| | (331,299) | (200,232) | (531,531) |
| Other comprehensive income for the year, net of tax | (332,552) | (198,979) | (531,531) |
| Total comprehensive income for the year | (1,163,232) | 608,015 | (555,217) |
| Attributable to: | | | |
| Owners of the Company | (351,125) | (205,657) | (556,782) |
| Non-controlling interests | (812,107) | 813,672 | 1,565 |
| | (1,163,232) | 608,015 | (555,217) |

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

4. RETROSPECTIVE RESTATEMENT (Continued)

(c) Consolidated statement of financial position as at 31st December 2015

| | As previously reported | Effect of restatement | As restated |
|---|---------------------------|--------------------------|------------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Non-current assets | | | |
| Property, plant and equipment | 3,402,540 | (3,402,520) | 20 |
| Investments in associates | 1,953 | (1,953) | — |
| Available-for-sale financial assets | 60,898 | 942,204 | 1,003,102 |
| Goodwill | 82,891 | (82,891) | — |
| Other intangible assets | 705,419 | (705,419) | — |
| Deferred tax assets | 425,893 | (425,893) | — |
| Non-current prepayments, deposits and receivables | 289,050 | (288,656) | 394 |
| | 4,968,644 | (3,965,128) | 1,003,516 |
| Current assets | | | |
| Inventories | 63,241 | (63,241) | — |
| Trade receivables | 162,695 | (162,695) | — |
| Due from a related company | 2 | — | 2 |
| Prepayments, deposits and other current assets | 468,054 | (465,940) | 2,114 |
| Bank and cash balances | 226,344 | (226,185) | 159 |
| | 920,336 | (918,061) | 2,275 |
| TOTAL ASSETS | 5,888,980 | (4,883,189) | 1,005,791 |

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

4. RETROSPECTIVE RESTATEMENT (Continued)

(c) Consolidated statement of financial position as at 31st December 2015 (Continued)

| | As previously reported | Effect of restatement | As restated |
|--|---------------------------|--------------------------|------------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Capital and reserves | | | |
| Share capital | 50,646 | — | 50,646 |
| Reserves | 48,841 | 276,711 | 325,552 |
| Equity attributable to owners of the Company | 99,487 | 276,711 | 376,198 |
| Non-controlling interests | 2,208,977 | (2,222,261) | (13,284) |
| Total equity | 2,308,464 | (1,945,550) | 362,914 |
| Non-current liabilities | | | |
| Employees' benefits obligations | 74,785 | (74,785) | — |
| Interest-bearing borrowings | 788,993 | (788,993) | — |
| Finance lease payables | 179,134 | (179,134) | — |
| Due to related companies | 16,375 | — | 16,375 |
| Deferred tax liabilities | 244,152 | (244,152) | — |
| | 1,303,439 | (1,287,064) | 16,375 |
| Current liabilities | | | |
| Interest-bearing borrowings | 729,903 | (636,903) | 93,000 |
| Finance lease payables | 63,454 | (63,454) | — |
| Other loan | — | 362,502 | 362,502 |
| Due to a related company | 4,000 | — | 4,000 |
| Trade payables | 666,143 | (666,143) | — |
| Receipts in advance | 3,839 | (3,839) | — |
| Other payables and accruals | 799,101 | (632,101) | 167,000 |
| Current tax payable | 10,637 | (10,637) | — |
| | 2,277,077 | (1,650,575) | 626,502 |
| Total liabilities | 3,580,516 | (2,937,639) | 642,877 |
| TOTAL EQUITY AND LIABILITIES | 5,888,980 | (4,883,189) | 1,005,791 |

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

4. RETROSPECTIVE RESTATEMENT (Continued)

(d) Consolidated statement of financial position as at 1st January 2015

| | As previously reported | Effect of restatement | As restated |
|---|---------------------------|--------------------------|------------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Non-current assets | | | |
| Property, plant and equipment | 3,079,012 | (3,078,986) | 26 |
| Investments in associates | 14,671 | (14,671) | — |
| Available-for-sale financial assets | 61,493 | 1,487,367 | 1,548,860 |
| Goodwill | 92,658 | (92,658) | — |
| Other intangible assets | 1,029,111 | (1,029,111) | — |
| Deferred tax assets | 309,610 | (309,610) | — |
| Non-current prepayments, deposits and receivables | 447,429 | (446,038) | 1,391 |
| | 5,033,984 | (3,483,707) | 1,550,277 |
| Current assets | | | |
| Trade receivables | 142,826 | (142,826) | — |
| Due from a related company | 2 | — | 2 |
| Prepayments, deposits and other current assets | 541,012 | (539,635) | 1,377 |
| Bank and cash balances | 421,303 | (421,138) | 165 |
| | 1,105,143 | (1,103,599) | 1,544 |
| TOTAL ASSETS | 6,139,127 | (4,587,306) | 1,551,821 |

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

4. RETROSPECTIVE RESTATEMENT (Continued)

(d) Consolidated statement of financial position as at 1st January 2015 (Continued)

| | As previously reported | Effect of restatement | As restated |
|--|---------------------------|--------------------------|------------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Capital and reserves | | | |
| Share capital | 50,646 | — | 50,646 |
| Reserves | 384,151 | 498,183 | 882,334 |
| Equity attributable to owners of the Company | 434,797 | 498,183 | 932,980 |
| Non-controlling interests | 2,808,815 | (2,823,664) | (14,849) |
| Total equity | 3,243,612 | (2,325,481) | 918,131 |
| Non-current liabilities | | | |
| Employees' benefits obligations | 60,165 | (60,165) | — |
| Interest-bearing borrowings | 977,456 | (977,456) | — |
| Finance lease payables | 132,292 | (132,292) | — |
| Due to related companies | 18,305 | — | 18,305 |
| Deferred tax liabilities | 229,720 | (229,720) | — |
| | 1,417,938 | (1,399,633) | 18,305 |
| Current liabilities | | | |
| Interest-bearing borrowings | 345,753 | (252,753) | 93,000 |
| Finance lease payables | 15,222 | (15,222) | — |
| Other loan | — | 362,502 | 362,502 |
| Due to a related company | 4,000 | — | 4,000 |
| Trade payables | 528,160 | (528,160) | — |
| Receipts in advance | 24,022 | (24,022) | — |
| Other payables and accruals | 504,854 | (348,971) | 155,883 |
| Derivative financial liabilities | 17,814 | (17,814) | — |
| Current tax payable | 37,752 | (37,752) | — |
| | 1,477,577 | (862,192) | 615,385 |
| Total liabilities | 2,895,515 | (2,261,825) | 633,690 |
| TOTAL EQUITY AND LIABILITIES | 6,139,127 | (4,587,306) | 1,551,821 |

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

5. 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 judgment in the process of applying AcrossAsia Group's accounting policies. The area involving a higher degree of judgment or complexity is disclosed in Note 6.

The significant accounting policies applied in the preparation of these consolidated 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.

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 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.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

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

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(b) 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.

(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;

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Foreign currency translation (Continued)

(iii) Translation on consolidation (Continued)

- 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.

(c) Property, plant and equipment

Property, plant and equipment held for administrative purposes 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 rate is 25%.

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.

(d) 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.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Recognition and derecognition of financial instruments (Continued)

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.

(e) 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) *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.

(ii) *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 receivables, bank and cash balances are classified in this category.

(f) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. If collection of 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.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) 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.

(h) Financial liabilities and equity instruments

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

(i) Borrowings

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

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

(j) Payables

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.

(k) Equity instruments

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

(l) 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.

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) 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, 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.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) 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 ("CGU") 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 CGU.

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

Impairment losses for CGUs are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the CGU. 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.

(o) 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.

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 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 investment revaluation reserve; impairment losses are not reversed through profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) 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.

(q) 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.

6. CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES

In the process of applying the accounting policies, the Directors have made the following judgments that have the most significant effect on the amounts recognised in the consolidated financial statements.

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 AcrossAsia 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.

7. REVENUE

AcrossAsia Group had no revenue for the year ended 31st December 2016 (2015: Nil).

8. OTHER INCOME

| | 2016 HK\$'000 | 2015 HK\$'000 (restated) |
|--------|------------------|--------------------------------|
| Others | 79 | 88 |

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

9. SEGMENT INFORMATION

No segment information is presented as AcrossAsia Group does not have any operating segment.

Geographical information

AcrossAsia Group had no revenue for the year. In addition, the majority of its assets represented its investment in First Media in Indonesia as stated in Note 19 to the consolidated financial statements. Accordingly, no geographical analysis is presented.

10. FINANCE COSTS

| | 2016 HK\$'000 | 2015 HK\$'000 (restated) |
|---|------------------|--------------------------------|
| Interest on: | | |
| Other borrowings wholly repayable within five years | 3,413 | 2,853 |

11. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax is required since AcrossAsia Group has no assessable profit for the year (2015: Nil).

The reconciliation between the income tax expense and the product of loss before tax multiplied by the Hong Kong Profits Tax rate is as follows:

| | 2016 HK\$'000 | 2015 HK\$'000 (restated) |
|--|------------------|--------------------------------|
| Loss before tax | (17,705) | (23,686) |
| Tax at the Hong Kong Profits Tax rate of 16.5% (2015: 16.5%) | (2,921) | (3,908) |
| Tax effect of income that is not taxable | (13) | (24) |
| Tax effect of expenses that are not deductible | 2,934 | 3,932 |
| Income tax expense | — | — |

12. LOSS FOR THE YEAR

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

| | 2016 HK\$'000 | 2015 HK\$'000 (restated) |
|---|------------------|--------------------------------|
| Depreciation of property, plant and equipment | 14 | 12 |
| Auditor's remuneration | 500 | 750 |

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

13. EMPLOYEE BENEFITS EXPENSE, INCLUDING DIRECTORS' EMOLUMENTS

Key management compensation during the year was as follows:

| | 2016 HK\$'000 | 2015 HK\$'000 (restated) |
|----------------------------------|------------------|--------------------------------|
| Employee benefits expense: | | |
| Salaries, bonuses and allowances | 2,508 | 2,241 |

(a) Five highest paid employees

The emoluments of the 5 (2015: 5) highest paid employees, who are also the Directors, are set out in Note 14.

14. DIRECTORS' EMOLUMENTS

The emoluments of every Director are as follows:

| | Fees | | Salaries | | Travel allowance | | Total | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2016 HK\$'000 | 2015 HK\$'000 | 2016 HK\$'000 | 2015 HK\$'000 | 2016 HK\$'000 | 2015 HK\$'000 | 2016 HK\$'000 | 2015 HK\$'000 |
| Executive Director | | | | | | | | |
| Mr. Vicente Binalhay Ang | 11 | 11 | 670 | 670 | — | — | 681 | 681 |
| Independent non-executive Directors | | | | | | | | |
| Mr. Ganesh Chander GROVER | 259 | — | — | — | — | — | 259 | — |
| Mr. Albert Saychuan CHEOK | 485 | 678 | — | — | — | — | 485 | 678 |
| Dr. Boh Soon LIM | 499 | 360 | — | — | — | — | 499 | 360 |
| Mr. Thomas Yee Man LAW | 424 | 362 | — | — | 160 | 160 | 584 | 522 |
| | 1,678 | 1,411 | 670 | 670 | 160 | 160 | 2,508 | 2,241 |

Mr. Ganesh Chander GROVER was appointed on 18th May 2016 and Mr. Albert Saychuan CHEOK retired on 26th August 2016. Neither the chief executive nor any of the directors waived any emoluments during the year (2015: Nil).

No significant transactions, arrangements and contracts in relation to AcrossAsia Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

15. DIVIDENDS

The Directors do not recommend the payment of any dividend.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

16. 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\$17,705,000 (2015: HK\$23,686,000, restated) and 5,064,615,385 (2015: 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 2016 and 2015.

17. PROPERTY, PLANT AND EQUIPMENT

| | Office furniture, fixtures and equipment |
|---|---|
| | <i>HK\$'000</i> |
| Cost | |
| At 1st January 2015 | 13,519 |
| Additions | 6 |
| Exchange realignment | (1,420) |
| At 31st December 2015 and 1st December 2016 | 12,105 |
| Additions | 2 |
| Exchange realignment | 341 |
| At 31st December 2016 | 12,448 |
| Accumulated depreciation | |
| At 1st January 2015 | 13,493 |
| Charge for the year | 12 |
| Exchange realignment | (1,420) |
| At 31st December 2015 and 1st December 2016 | 12,085 |
| Charge for the year | 14 |
| Exchange realignment | 341 |
| At 31st December 2016 | 12,440 |
| Carrying amount | |
| At 31st December 2016 | 8 |
| At 31st December 2015 | 20 |

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

18. INVESTMENTS IN SUBSIDIARIES

Particulars of the principal subsidiary as at 31st December 2016 are as follows:

| Name | Place of incorporation and operation | Nominal value of issued ordinary share capital | Percentage of equity attributable to the Company | | Principal activities |
|-----------------------|--------------------------------------|--|--|------------------|----------------------|
| | | | 2016 (Direct) | 2015 (Direct) | |
| PT AsiaNet Multimedia | Indonesia | US\$1,333,333 | 95.0 | 95.0 | Investment holding |

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

The following table shows information of the subsidiary that has NCI material to AcrossAsia Group. The summarised financial information represents amounts before inter-company eliminations.

| Name | PT AsiaNet Multimedia | |
|--|-----------------------|--------------------|
| Principal place of business | Indonesia | |
| Country of incorporation | Indonesia | |
| | 2016 | 2015 (restated) |
| % of ownership interests and voting rights held by NCI | 5% | 5% |
| | HK\$'000 | HK\$'000 |
| At 31st December: | | |
| Non-current assets | 21,328 | 20,740 |
| Current assets | 411 | 400 |
| Non-current liabilities | (224,606) | (218,417) |
| Current liabilities | (124,558) | (121,126) |
| Net liabilities | (327,425) | (318,403) |
| Accumulated NCI | (13,661) | (13,284) |
| Year ended 31st December: | | |
| Revenue | — | — |
| Loss | — | — |
| Total comprehensive income | — | — |
| Loss allocated to NCI | — | — |
| Net cash used in operating activities | — | — |
| Net cash used in investing activities | — | — |
| Net cash used in financing activities | — | — |
| Net decrease in cash and cash equivalents | — | — |

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

| | 2016 HK\$'000 | 2015 HK\$'000 (restated) |
|--|------------------|--------------------------------|
| Listed investments in First Media, at fair value | 668,385 | 1,003,035 |
| Other listed investments, at fair value | 67 | 67 |
| | 668,452 | 1,003,102 |

The fair values of listed equity securities are based on current bid prices.

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

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

The shares of First Media are listed on the Indonesian Stock Exchange. 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.

20. NON-CURRENT PREPAYMENTS, DEPOSITS AND RECEIVABLES

| | 2016 HK\$'000 | 2015 HK\$'000 (restated) |
|-------------------|------------------|--------------------------------|
| Other receivables | 549 | 394 |

21. DUE FROM A RELATED COMPANY

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

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

22. PREPAYMENTS, DEPOSITS AND OTHER CURRENT ASSETS

| | 2016 HK\$'000 | 2015 HK\$'000 (restated) |
|----------------------------|------------------|--------------------------------|
| Prepaid operating expenses | 23 | 745 |
| Other receivables | 2,244 | 1,369 |
| | 2,267 | 2,114 |

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

23. BANK AND CASH BALANCES

At 31st December 2016, the bank and cash balances of AcrossAsia Group denominated in Indonesian Rupiah amounted to HK\$149,000 (2015: HK\$147,000, restated).

At 31st December 2016, bank and cash balances of AcrossAsia Group of HK\$151,000 (2015: HK\$149,000) 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 33 to the consolidated financial statements.

24. SHARE CAPITAL

| | 2016 HK\$'000 | 2015 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). Capital comprises all components of equity (i.e. share capital, retained profits and other reserves) including non-controlling interests.

| | 2016 HK\$'000 | 2015 HK\$'000 (restated) |
|---------------------------------|------------------|--------------------------------|
| Total debt | 93,000 | 93,000 |
| Less: cash and cash equivalents | (152) | (159) |
| Net debt | 92,848 | 92,841 |
| Total equity | 7,138 | 362,914 |
| Debt-to-adjusted capital ratio | 1,300% | 26% |

The increase in the debt-to-capital ratio during 2016 resulted primarily from the substantial losses incurred and fair value losses of available-for-sale financial assets during 2016.

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.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

25. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

| | Note | As at 31st December | |
|---|-------|---------------------|--------------------------------|
| | | 2016 HK\$'000 | 2015 HK\$'000 (restated) |
| Non-current assets | | | |
| Property, plant and equipment | 17 | 8 | 20 |
| Available-for-sale financial assets | 19 | 668,452 | 1,003,102 |
| Non-current prepayments, deposits and receivables | 20 | 549 | 394 |
| | | 669,009 | 1,003,516 |
| Current assets | | | |
| Due from related companies | | — | 2 |
| Prepayments, deposits and other current assets | | 1,856 | 1,714 |
| Bank and cash balances | | 152 | 159 |
| | | 2,008 | 1,875 |
| TOTAL ASSETS | | 671,017 | 1,005,391 |
| Capital and reserves | | | |
| Share capital | 24 | 50,646 | 50,646 |
| Reserves | 25(b) | 84,857 | 437,213 |
| Equity | | 135,503 | 487,859 |
| Current liabilities | | | |
| Interest-bearing borrowing | 27 | 93,000 | 93,000 |
| Other loan | 28 | 362,502 | 362,502 |
| Due to a related company | | 4,000 | 4,000 |
| Other payables and accruals | | 76,012 | 58,030 |
| Total liabilities | | 535,514 | 517,532 |
| TOTAL EQUITY AND LIABILITIES | | 671,017 | 1,005,391 |
| Net current liabilities | | (533,506) | (515,657) |
| Total assets less current liabilities | | 135,503 | 487,859 |

Approved by the Board of Directors on 17th March 2017 and is signed on its behalf by:

Ganesh Chander GROVER
Director

Vicente Binalhay ANG
Director

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

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

(b) Reserve movement of the Company

| | Share premium account <i>HK\$'000</i> | Investment revaluation reserve <i>HK\$'000</i> | Accumulated losses <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|--|--|---|--|--------------------------|
| At 1st January 2015 | 414,318 | 1,126,204 | (533,866) | 1,006,656 |
| Total comprehensive income for the year | — | (545,758) | (23,685) | (569,443) |
| At 31st December 2015 and 1st January 2016 | 414,318 | 580,446 | (557,551) | 437,213 |
| Total comprehensive income for the year | — | (334,650) | (17,706) | (352,356) |
| At 31st December 2016 | 414,318 | 245,796 | (575,257) | 84,857 |

26. 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 members 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 5(e)(i) 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 5(b) to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

27. INTEREST-BEARING BORROWING

| | 2016 HK\$'000 | 2015 HK\$'000 (restated) |
|---|------------------|--------------------------------|
| Unsecured, repayable within one year, and denominated in US\$ | 93,000 | 93,000 |

The effective interest rate at 31st December 2016 was 3.669% (2015: 3.084%).

28. OTHER LOAN

Other loan represented an amount due to First Media which is unsecured, interest bearing at the prevailing LIBOR plus 4.75% per annum and was due for settlement on 30th June 2012. First Media has commenced arbitration and litigation proceedings against the Company to recover a total amount of US\$46,774,403 (equivalent to HK\$362,502,000), representing the principal amount of US\$44,000,000 together with accrued interest capped at US\$2,774,403. Details of the arbitration and litigation proceedings are set out in Note 33 to the consolidated financial statements.

29. 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.

30. OTHER PAYABLES AND ACCRUALS

| | 2016 HK\$'000 | 2015 HK\$'000 (restated) |
|------------------|------------------|--------------------------------|
| Other payables | 130,471 | 116,998 |
| Accrued expenses | 57,478 | 50,002 |
| | 187,949 | 167,000 |

Other payables of approximately HK\$111,937,000 (2015: HK\$108,970,000, restated) are denominated in Indonesian Rupiah.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

31. 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

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

AcrossAsia Group's does not have other material credit risk.

(b) Foreign currency risk

AcrossAsia Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are denominated in Hong Kong dollars and United States dollars ("US\$").

AcrossAsia Group's does not have other material foreign currency risk.

(c) Interest rate risk

AcrossAsia Group's exposure to interest-rate risk arises from its borrowings.

AcrossAsia Group's cash flow interest rate risk primarily relates to variable-rate borrowings of HK\$97,000,000 (2015: HK\$97,000,000, restated) which bear interest at variable rates that vary with the then prevailing market condition.

At 31st December 2016, if interest rates at that date had been 100 basis points lower/higher with all other variables held constant, consolidated loss after tax for the year would have been HK\$970,000 (2015: HK\$970,000, restated) lower/higher, arising mainly as a result of lower/higher interest expense on interest-bearing borrowing and amount due to a related company.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

31. FINANCIAL RISK MANAGEMENT (Continued)

(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 <i>HK\$'000</i> | Between 1 and 2 years <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|-------------------------------------|--|---|--------------------------|
| As at 31st December 2016 | | | |
| Interest-bearing borrowing | 458,669 | — | 458,669 |
| Due to related companies | 4,240 | 16,839 | 21,079 |
| Other payables and accruals | 187,949 | — | 187,949 |
| As at 31st December 2015 (restated) | | | |
| Interest-bearing borrowing | 458,155 | — | 458,155 |
| Due to related companies | 4,240 | 16,375 | 20,615 |
| Other payables and accruals | 167,000 | — | 167,000 |

(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 2016, 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\$66,845,000 (2015: HK\$100,310,000, restated) higher/lower, arising as a result of the fair value gain/loss on the investments.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

31. FINANCIAL RISK MANAGEMENT (Continued)

(f) Categories of financial instruments at 31st December

| | 2016 HK\$'000 | 2015 HK\$'000 |
|---|------------------|------------------|
| Financial assets: | | |
| Loans and receivables (including cash and cash equivalents) | 2,968 | 2,669 |
| Available-for-sale financial assets | 668,452 | 1,003,102 |
| Financial liabilities: | | |
| Financial liabilities at amortised cost | 664,290 | 642,877 |

(g) Fair values

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.

32. 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 following disclosures of fair value measurements 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.

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.

The recurring fair value measurements of AcrossAsia Group's available-for-sale financial assets are using the Level 1 of the fair value hierarchy.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

33. 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 2016 and the update Announcement dated 8th December 2016. 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 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, the Astro Group 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 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 ("First Media's 3 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 Hong Kong Setting Aside Appeal").

33. GARNISHEE AND RELATED PROCEEDINGS (Continued)

Hong Kong Garnishee Proceedings (Continued)

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 the Astro Group'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."

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 2016, 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, the Astro Group 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 Hong Kong Setting Aside Appeal 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.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

33. GARNISHEE AND RELATED PROCEEDINGS (Continued)

Hong Kong Garnishee Proceedings (Continued)

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 Costs Summons has been adjourned sine die with liberty to restore.

On 14th October 2016, the Astro Group filed a summons in AAL's Appeal (and a corresponding summons in First Media's appeal against the Garnishee Order Absolute) for leave to adduce further evidence relating to criminal proceedings in Indonesia in connection with the Indonesian Bankruptcy Order (see last section below). This application is currently ongoing.

The Directors understand that First Media's Hong Kong Setting Aside Appeal was heard on 15th November 2016 and the Court of Appeal on 5th December 2016 delivered its judgment dismissing First Media's Hong Kong Setting Aside Appeal. That judgment became available to the public on 6th December 2016. The Directors note that the First Media is seeking leave to appeal the Court of Appeal's judgment to the Court of Final Appeal. In the meantime, the Unconditional Stay of Execution of Garnishee Order Absolute remains in place pending final determination of AAL's Appeal. By reason of the handing down of the Court of Appeal's judgment, the Astro Group has requested the Court of Appeal to fix a date for AAL's Appeal. On 8th March 2017, the Court of Appeal directed that AAL's Appeal should not be fixed at this stage.

While the final outcome of the Hong Kong proceedings is yet to be determined, it is the Directors' opinion that AcrossAsia Group has good grounds to succeed in the litigation in Hong Kong.

33. GARNISHEE AND RELATED PROCEEDINGS (Continued)

Hong Kong Market Misconduct Tribunal (“MMT”) Proceedings

Reference is made to the Company’s Third Quarterly Report 2016 and the update Announcement dated 16th February 2017. 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 (“Mr. Cheok”) and Chief Executive Officer, Mr. Vicente Binalhay Ang (“Mr. Ang”). It is noted that Mr. Cheok retired from his position as the Chairman and Independent Non-Executive Director of the Board with effect from 26th August 2016 (see the Company’s announcement dated 24th August 2016). In summary, the SFC alleges that the Company, Mr. Cheok and Mr. Ang 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) (the “Ordinance”) respectively.

On 2nd November 2016, after the substantive hearing of the MMT proceedings was scheduled to commence on 31st October 2016, Mr. Cheok also admitted that he was in breach of the disclosure requirements under section 307G(2) of the Ordinance.

Consequently, on 7th November 2016, the MMT concluded that each of the Company, Mr. Cheok and Mr. Ang had committed market misconduct by breaching the disclosure provisions of the Ordinance.

On 11th November 2016, the MMT held a further hearing for determination of what the consequential orders should be imposed following its findings of market misconduct and to hear submissions in mitigation from the Company, Mr. Cheok and Mr. Ang. The MMT on 30th November 2016 handed down its written report of the proceedings dated 29th November 2016. In this report, the MMT confirmed that the breaches were caused by negligence on the part of Mr. Cheok and Mr. Ang and were not caused by either reckless or intentional misconduct. The MMT also concluded that the misconduct was “very much towards the bottom of the scale”. The MMT has made the following consequential orders against the Company, Mr. Cheok and Mr. Ang.

- (a) Against the Company: a regulatory fine of HK\$600,000 and an order that it be equally responsible with Mr. Cheok and Mr. Ang for the SFC’s and the Government’s costs up to, 17th February 2016, and that it bears 25% of those costs thereafter;
- (b) Against Mr. Ang: a regulatory fine of HK\$600,000, an order that he undergoes a training programme approved by the SFC and an order that he bears the SFC’s and the Government’s costs equally with the Company and Mr. Cheok up to 17th February 2016 and 25% of the costs thereafter;
- (c) Against Mr. Cheok: a regulatory fine of HK\$800,000, an order that he undergoes a training programme approved by the SFC and an order that he bears the SFC’s and the Government’s costs equally with the Company and Mr. Ang up to 17th February 2016 and that he bears 50% of those costs thereafter.

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For the year ended 31st December 2016

33. GARNISHEE AND RELATED PROCEEDINGS (Continued)

Hong Kong Market Misconduct Tribunal (“MMT”) Proceedings (Continued)

Pursuant to the MMT’s order:

- (a) the Company has paid its regulatory fine of HK\$600,000;
- (b) Mr. Ang has paid his regulatory fine of HK\$600,000;
- (c) all of the Government’s costs have been paid; and
- (d) all of the SFC’s costs have been agreed and paid without the need to go for taxation.

Mr. Ang shall also undergo a training programme which has been approved by the SFC as required under the MMT’s order. Apart from this, both the Company and Mr. Ang have complied with the MMT’s order.

Singapore Court of Appeal’s Decision

Reference is made to the Company’s Third Quarterly Report 2016. 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. The 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. The 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 an assessment of damages was heard over four hearings in September 2014, January 2015, August 2015 and September 2015. The First Media application was dismissed in March 2016, and its appeal to the Court of Appeal also was dismissed on 10th February 2017. First Media was ordered to pay legal costs to the Astro Group, currently being assessed if it not agreed.

33. GARNISHEE AND RELATED PROCEEDINGS (Continued)

Singapore Court of Appeal's Decision (Continued)

As noted in the Company's Third Quarterly Report 2016, 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 announcements dated 4th September 2015 and 7th November 2016 and Third Quarterly Report 2016.

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. 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 had 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.

Being prudent, the Company believed that it would be appropriate and did seek a second legal opinion from another Indonesian lawyer. Based on the advice of the second Indonesian lawyer, the Company was entitled to file its petition for Judicial Review after the Company received an officially served copy of the Indonesian Supreme Court's decision which in the opinion of the second Indonesian lawyer, had 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").

Notes to the Consolidated Financial Statements

For the year ended 31st December 2016

33. GARNISHEE AND RELATED PROCEEDINGS (Continued)

Appeal against Indonesian Bankruptcy Order (Continued)

On 12th October 2016, the Board was advised by its Indonesian Lawyers that the Petition had been rejected by the Indonesian Supreme Court as of 14th September 2016 ("Rejection") according to the latest information published on the website of the same court ("Information"). The Indonesian Lawyers further advised the Board that under Indonesian law, the decision of the Indonesian Supreme Court will only be legally binding on the parties to the Proceedings when the Court's official written decision ("Official Decision") is received by the parties. However, as of the date of this Annual Report, the Board has not received the Official Decision directly from the Indonesian Supreme Court or through the Indonesian Lawyers, and has not had an opportunity to verify the Information with the Indonesian Supreme Court. The Indonesian Lawyers have also confirmed in an email to the Board that as of 15th March 2017 they have not received the Official Decision.

According to the advice of the Indonesian Lawyers, an Official Decision cannot be appealed as it is a decision reached by the highest level of the Indonesian court system. Consequently, if the Official Decision confirms the Rejection and is received by the parties to the Proceedings, the Indonesian Bankruptcy Order would be deemed to have taken effect as of the date it was made by the Indonesian Court (i.e. 5th March 2013) and the Indonesian Bankruptcy Order would be enforceable (at least) against the Company's shares in First Media, and all other assets owned by the Company in Indonesia.

34. EVENTS AFTER THE REPORTING PERIOD

Details of events after the reporting period are set out in Note 33 to the consolidated financial statements.



ACROSS ASIA LIMITED