

ACROSS ASIA LIMITED

(Incorporated in the Cayman Islands with limited liability)



first quarterly report

2005

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This report, for which the Directors of AcrossAsia Limited (the “Company”) (namely, executive Directors: Dr. Cheng Wen CHENG and Mr. Marshall Wallace COOPER; non-executive Director: Mr. Jonathan Limbong PARAPAK; and independent non-executive Directors: Messrs. Richard Arthur WOOLCOTT, Kwok Ming CHEUNG and King Fai TSUI) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM 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: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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For the three months ended 31st March 2005

HIGHLIGHTS

- AcrossAsia Group's turnover expanded by 5.0 times to HK\$1,295.2 million for the Three-month Period from HK\$216.8 million for the same period in 2004.
- Gross profit increased by 5.3 times to HK\$393.1 million from HK\$62.6 million for the corresponding period in 2004. Gross profit margin reached 30.4% from 28.9% for the same period in 2004.
- Profit from operations rose by 7.4 times to HK\$57.7 million from HK\$6.9 million for the corresponding period in 2004.
- Operating expenses amounted to HK\$363.1 million compared to HK\$56.0 million for the same period in 2004.
- EBITDA (excluding other income and expenses) increased by 1.3 times to HK\$86.1 million from HK\$36.9 million for the same period in 2004.
- AcrossAsia Group achieved a profit attributable to shareholders of the Company of HK\$0.9 million compared with a loss of HK\$11.2 million for the corresponding period in 2004.
- Broadband Multimedia group entered into a subscription and shareholders agreement with the Astro Group of Malaysia on 11th March 2005 for establishing a joint venture for the provision of Direct-to-Home multi-channel digital satellite pay television, radio and interactive multimedia services in Indonesia.

FIRST QUARTERLY RESULTS (UNAUDITED)

The Directors of AcrossAsia Limited (the "Company") are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively "AcrossAsia Group") for the three months ended 31st March 2005 (the "Three-month Period") together with comparative figures for the corresponding period ended 31st March 2004, as follows:

		Three months ended 31st March	
		2005	2004
		HK\$'000	HK\$'000
	<i>Notes</i>		
Turnover	2	1,295,161	216,778
Cost of sales and services rendered		(902,040)	(154,207)
		<hr/>	<hr/>
Gross profit		393,121	62,571
Other operating income and gains		27,656	314
Selling and distribution costs		(139,335)	(12,359)
General and administrative expenses		(223,748)	(43,624)
		<hr/>	<hr/>
Profit from operations		57,694	6,902
Finance costs		(50,822)	(23,714)
Share of results of associates		2,960	10,040
Amortisation of goodwill on acquisition of associates		-	(3,208)
		<hr/>	<hr/>
		2,960	6,832
		<hr/>	<hr/>
Profit/(loss) before income tax		9,832	(9,980)
Income Tax expense	3	3,456	(3,920)
		<hr/>	<hr/>
Profit/(loss)		13,288	(13,900)
		<hr/>	<hr/>
Profit/(loss) attributable to:			
Shareholders of the Company	4	914	(11,239)
Minority interests		12,374	(2,661)
		<hr/>	<hr/>
		13,288	(13,900)
		<hr/>	<hr/>
Earnings/(loss) per share attributable to shareholders of the Company (<i>HK cents</i>)	4		
Basic		0.02	(0.22)
		<hr/>	<hr/>
Diluted		N/A	N/A
		<hr/>	<hr/>

Notes:

1. Basis of preparation

The unaudited consolidated results have been prepared in accordance with International Financial Reporting Standards (the "IFRS") and the disclosure requirements set out in the GEM Listing Rules. All significant intra-group transactions have been eliminated on consolidation.

AcrossAsia Group has adopted the following new and revised IFRS below, which are relevant to its operations, with effect from 1st January 2005:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events after the Balance Sheet Date
IAS 16	Property, Plant and Equipment
IAS 17	Leases
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 24	Related Party Disclosures
IAS 27	Consolidated and Separate Financial Statements
IAS 28	Investments in Associates
IAS 32	Financial Instruments: Disclosure and Presentation
IAS 33	Earnings per Share
IAS 36	Impairment of Assets (for assets other than goodwill and intangible assets acquired in business combinations before 31st March 2004)
IAS 38	Intangible assets (for intangible assets other than intangible assets acquired in business combinations before 31st March 2004)
IAS 39	Financial Instruments: Recognition and Measurement
IAS 40	Investment Property
IFRS 2	Share-Based Payment
IFRS 3	Business Combinations (for goodwill arising from acquisition before 31st March 2004)

The adoption of the aforesaid new and revised IFRS did not result in substantial changes in AcrossAsia Group's accounting policies except for IFRS 2 and 3. The impacts of IFRS 2 and 3 on AcrossAsia Group are set out below:

- IFRS 2 has resulted in a change in AcrossAsia Group's accounting policy for share-based payments. It requires an expense to be recognised where AcrossAsia Group buys goods or services in exchange for shares or rights over shares (equity-settled transactions), or in exchange for other assets equivalent in value to a given number of shares or rights over shares (cash-settled transactions). The main impact of IFRS 2 on AcrossAsia Group is the expensing of employees' and Directors' share options. AcrossAsia Group has chosen to adopt the transitional provisions of IFRS 2 in respect of equity-settled awards and has applied IFRS 2 only to equity-settled awards granted after 7 November 2002 that had not vested on or before 31st December 2004. Since no share options were granted for the period from 7th November 2002 to 31st March 2005, the adoption of IFRS 2 has not resulted in a charge to the income statements for prior years and the Three-month Period.
- IFRS 3 has resulted in a change in AcrossAsia Group's accounting policy for goodwill arising from acquisition. As at 31st December 2004, goodwill arising from acquisition before 31st March 2004 was amortised on a straight-line basis over its estimated useful life of 20 years. From 1st January 2005, goodwill arising on acquisition before 31st March 2004 ceased to be amortised in accordance with the provision of IFRS 3, and the transitional provision has required AcrossAsia Group to eliminate the carrying amount of the accumulated amortisation by HK\$223,739,000 with a corresponding entry to goodwill. From 1st January 2005 onwards, goodwill is tested annually for impairment (unless an event occurs during the year which requires the goodwill to be tested more frequently) in accordance with IAS 36.

There was no impact on opening accumulated losses at 1st January 2005 from the adoption of IFRS 2 and 3.

The audit committee has reviewed the unaudited consolidated results of AcrossAsia Group for the Three-month Period.

2. Segment information

(a)(i) An analysis of AcrossAsia Group's revenue and results for the Three-month Period by business segment is as follows:

	Retail Services HK\$'000	Broadband HK\$'000	IT Solutions HK\$'000	Cellular Services HK\$'000	Others HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
Segment revenue:							
Sales to external customers	1,112,074	69,005	114,082	-	-	-	1,295,161
Intersegment sales	-	4,837	74	-	-	(4,911)	-
Total	<u>1,112,074</u>	<u>73,842</u>	<u>114,156</u>	<u>-</u>	<u>-</u>	<u>(4,911)</u>	<u>1,295,161</u>
Segment results	<u>22,538</u>	<u>4,973</u>	<u>20,548</u>	<u>-</u>	<u>(3,445)</u>	<u>285</u>	44,899
Interest income							12,795
Profit from operations							57,694
Finance costs							(50,822)
Share of results of associates	-	-	-	-	2,960	-	2,960
Profit before income tax							9,832
Income tax expense							3,456
Profit							<u>13,288</u>

(a)(ii) An analysis of AcrossAsia Group's revenue and results for the corresponding period in 2004 by business segment is as follows:

	Retail Services HK\$'000	Broadband HK\$'000	IT Solutions HK\$'000	Cellular Services HK\$'000	Others HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
Segment revenue:							
Sales to external customers	-	74,237	133,982	8,559	-	-	216,778
Intersegment sales	-	972	1,095	-	-	(2,067)	-
Total	<u>-</u>	<u>75,209</u>	<u>135,077</u>	<u>8,559</u>	<u>-</u>	<u>(2,067)</u>	<u>216,778</u>
Segment results	<u>-</u>	<u>2,658</u>	<u>14,368</u>	<u>(9,237)</u>	<u>(5,312)</u>	<u>88</u>	2,565
Interest income							<u>4,337</u>
Profit from operations							6,902
Finance costs							(23,714)
Share of results of associates (Less: amortisation of goodwill on acquisition of associates)	5,427	-	-	-	1,405	-	<u>6,832</u>
Loss before income tax							(9,980)
Income tax expense							<u>(3,920)</u>
Loss							<u><u>(13,900)</u></u>

(b) Geographical segments

Over 90% of AcrossAsia Group's revenue, results, assets and capital expenditure are attributable to its operations in Indonesia. Accordingly, no analysis by geographical segment is presented.

3. Income tax expense

No Hong Kong profits tax has been provided, as AcrossAsia Group had no assessable profits arising in Hong Kong during the Three-month Period (2004: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which AcrossAsia Group operates, based on existing legislation, interpretations and practices in respect thereof.

AcrossAsia Group's subsidiaries and associates incorporated and operating in Indonesia are subject to Indonesian income tax at a maximum rate of 30% (2004: 30%) of the individual entities' respective assessable profits in accordance with Indonesian income tax law.

	Three months ended 31st March	
	2005	2004
	HK\$'000	HK\$'000
AcrossAsia Group		
Current income tax*	3,269	–
Deferred income benefits*	(6,725)	(2,309)
	(3,456)	(2,309)
Share of tax attributable to associates		
Current income tax*	–	2,175
Deferred income tax *	–	4,054
	–	6,229
	(3,456)	3,920

* Imposed outside Hong Kong

4. Earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to shareholders of the Company for the Three-month Period of HK\$914,000 (2004: loss of HK\$11,239,000) and 5,064,615,385 (2004: 5,064,615,385) ordinary shares in issue during the Three-month Period.

Diluted earnings/(loss) per share for the Three-month Period and the corresponding period in 2004 are not disclosed as there were no dilutive potential ordinary shares.

5. Reserves

	Share premium HK\$'000	Capital reserve HK\$'000	Equity transactions of associates HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1st January 2004	32,877	1,464,802	2,925	(608,888)	(819,401)	72,315
Currency translation differences	-	-	-	(4,613)	-	(4,613)
Total expense for the period recognised directly in reserves	-	-	-	(4,613)	-	(4,613)
Loss for the period	-	-	-	-	(11,239)	(11,239)
Total expense for the period	-	-	-	(4,613)	(11,239)	(15,852)
At 31st March 2004	<u>32,877</u>	<u>1,464,802</u>	<u>2,925</u>	<u>(613,501)</u>	<u>(830,640)</u>	<u>56,463</u>
At 1st January 2005	32,877	1,464,802	3,531	(662,760)	(780,950)	57,500
Currency translation differences	-	-	-	(7,900)	-	(7,900)
Total expense for the period recognised directly in reserves	-	-	-	(7,900)	-	(7,900)
Profit for the period	-	-	-	-	914	914
Total income/(expense) for the period	-	-	-	(7,900)	914	6,986
At 31st March 2005	<u>32,877</u>	<u>1,464,802</u>	<u>3,531</u>	<u>(670,660)</u>	<u>(780,036)</u>	<u>50,514</u>

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Three-month Period (2004: Nil).

FINANCIAL REVIEW

The results of AcrossAsia Group for the Three-month Period were analysed by three main business segments namely, Retail, Broadband Services and IT Solutions.

Turnover

AcrossAsia Group's turnover expanded by 5.0 times to HK\$1,295.2 million (including HK\$1,112.1 million from PT Matahari Putra Prima Tbk ("Matahari"), a subsidiary of the Company listed on the Jakarta Stock Exchange and the Surabaya Stock Exchange in which the Company has a 25.1% effective interest) from HK\$216.8 million for the same period in 2004. Excluding the turnover of Matahari which was consolidated only from the fourth quarter in 2004, AcrossAsia Group's turnover decreased by 15.5% to HK\$183.1 million mainly due to the deconsolidation of Natrindo (and hence its results) at the end of 2004 and the depreciation of Indonesia Rupiah by approximately 10.3% in the Three-month Period compared to the same period in 2004. By business segment, Retail recorded a revenue of HK\$1,112.1 million; Broadband Services' revenue decreased by 7% to HK\$69.0 million from HK\$74.2 million for the corresponding period in 2004 mainly as a result of a drop in advertising revenue; and IT Solutions booked revenue of HK\$114.1 million, 14.9% lower than the HK\$134.0 million for the comparison period in 2004 mainly due to a drop in sales of hardware equipment and the project-based nature of the business.

Gross Profit

AcrossAsia Group posted gross profit of HK\$393.1 million, a 5.3 times' increase over the HK\$62.6 million for the same period in 2004 with Matahari being the main contributor. Gross profit margin reached 30.4% compared to 28.9% for the corresponding period in 2004 mainly due to increased turnover and cost control.

Profit from Operations

AcrossAsia Group's profit from operations rose by 7.3 times to HK\$57.7 million from HK\$6.9 million for the same period in 2004.

AcrossAsia Group recorded other operating income and gains of HK\$27.7 million compared to HK\$0.3 million for the corresponding period in 2004 mainly attributable to an increase in interest income and an unrealized gain of HK\$10.2 million on short-term investment.

Total operating expenses (excluding other income and expenses) increased to HK\$363.1 million including the operating expenses of Matahari. Excluding that of Matahari, the total operating expenses decreased by 13.2% to HK\$48.6 million from HK\$56.0 million for the same period in 2004 mainly resulting from cost control and cessation of goodwill amortization following the adoption of IFRS 3 from 1st January 2005. As a reference, the total goodwill amortization for subsidiaries and an associate charged to the income statement for the first quarter in 2004 was approximately HK\$3.8 million.

AcrossAsia Group extended its track record of positive EBITDA (excluding other income and expenses) into the fourth consecutive year. EBITDA increased by 1.3 times to HK\$86.1 million from HK\$36.9 million for the same period in 2004.

Share of Results of Associates

AcrossAsia Group's share of results of associates, excluding amortisation of goodwill, decreased by 70% to HK\$3.0 million from HK\$10.0 million for the corresponding period in 2004. The decrease was mainly due to the change of status of Matahari from a then 47.4% owned associate of Multipolar to a 50.1% owned subsidiary of Multipolar in September 2004.

Profit/(loss) attributable to Shareholders

AcrossAsia Group recorded a profit attributable to the shareholders of the Company of HK\$0.9 million compared to a loss of HK\$11.2 million for the same period in 2004.

BUSINESS REVIEW

AcrossAsia Group has positioned itself as a consumer-oriented service provider offering value, fashion and quality services catering to the rising middle and upper-income market

in Asia, particularly in Indonesia and China. It also offers IT related services to enterprises and institutions in Indonesia. The diversified services are provided through the following major companies:

Matahari

Matahari, the flagship of Retail, is the largest listed modern retailer in Indonesia with a total network of 230 outlets nationwide, comprising Matahari Department Stores' 75 outlets, Matahari Supermarkets' 44 conventional supermarkets and 6 compact hypermarkets under the brand name "hypermart", and TimeZone's 105 family entertainment centres as of 31st March 2005.

Matahari Department Stores offer fashion, apparels and accessories for men, women, children and youth as well as home furnishings and household items. Matahari Supermarkets offer food, groceries, general merchandise for home and consumers, and home electronics and appliances. During the Three-month Period, Matahari continued improvement in its operational and business processes with better produce procurement, shrinkage control and promotion strategy. One new Matahari Department Stores outlet and two new "hypermart" stores were opened. "hypermart" stores are well received by the neighbouring community as indicated by the total average monthly shoppers of more than one million per month.

TimeZone family entertainment centres offer customers of all ages the chance to experience real life thrills on the various driving, skiing, motorbike riding and other action-packed video games apart from conventional mechanical games. Recently, TimeZone has successfully secured collaboration with Disney and launched a new "TimeZone Celebrates Disney" concept through transforming four existing stores to "TimeZone Celebrates Disney" stores which are totally themed with Disney's intellectual property. The new concept is expected to boost TimeZone's revenue.

As its commitment to serve the community, Matahari has collected donations amounting to more than Rp1.5 billion (HK\$1.3 million) through its extensive store network, employees and valued customers, and also contributed basic food, necessities and medicines for helping the victims of the catastrophic tsunami and earthquake occurred in recent months.

Broadband Multimedia

PT Broadband Multimedia Tbk (“Broadband Multimedia”, a subsidiary of the Company listed on the Surabaya Stock Exchange in which the Company has a 66.14% effective interest), the flagship of Broadband Services, offers digital cable and satellite TV, data communication, Internet access, leased line, and VPN (Virtual Private Network) services. It is the largest cable TV operator in Indonesia offering 67 national and international channels of programming under the brand name “Kabelvision”. Its largest two-way HFC (Hybrid Fibre Coaxial) network in Indonesia has reached over 2,560 km as at 31st March 2005, passing more than 220,870 homes and covering major residential and central business districts in prime cities in Indonesia. The number of cable TV subscribers increased to approximately 121,370 with penetration reaching 56.3%, and the total number of broadband Internet consumer subscribers was approximately 13,760 as of 31st March 2005.

Broadband Multimedia recently launched a fast and fun Internet access product, “MyNet”. Through its broadband Internet network platform, end users can now access data, games, audio and movie resources as well as other online applications.

On 11th March 2005, the Broadband Multimedia group and the Astro group of Malaysia entered into a 49/51 joint venture for the provision of Direct-to-Home multi-channel digital satellite pay television, radio and interactive multimedia services in Indonesia. Such services will complement the existing cable TV services of Broadband Multimedia via fixed line network and provide a further avenue for the growth and profitability of AcrossAsia Group in the future.

Multipolar

PT Multipolar Corporation Tbk (“Multipolar”, a 50.1% owned subsidiary of the Company listed on the Jakarta Stock Exchange and the Surabaya Stock Exchange), the flagship of IT Solutions, is one of the prominent IT system integration and services providers in Indonesia. Its Hardware and Software unit delivers strategic technology solutions to leading companies and state-owned corporations in Indonesia.

The Three-month Period saw Multipolar's efforts to keep up its sales while tackling the margin pressure for its hardware related systems integration solutions. Its Systems Integration unit continued to grow revenue from its existing customer base whereas the Banking Solutions unit suffered from delays in project startup in the banking sector as customers showed a more cautious approach due to the uncertain external environment. Its Consulting Services unit secured another key client, PT Telekomunikasi Indonesia, Tbk, thereby underlining the unit's capability in the market-place. Multipolar again has received awards for its performance from its principals further cementing its place in the Indonesian IT industry. It is implementing various initiatives to establish new services and solutions that will ensure ongoing recurring revenue.

PROSPECTS

AcrossAsia Group is cautiously optimistic towards the outlook of the economies of Indonesia and other Asia countries in the light of volatile oil and commodity prices, despite a promising growth in GDP (Gross Domestic Product) and retail spending in the area during the Three-month Period. Against this backdrop, Matahari will selectively open new Matahari Department Stores, "hypermart" stores, and TimeZone entertainment centres, and convert several existing Matahari Supermarkets outlets into the latest soft-discount store format to capture the still blooming retail sector in Indonesia and other Asian markets.

Broadband Multimedia will launch its digital cable TV services soon with an amazing selection of new exclusive channels, offering 77 channels with multiple subscriptions for different kinds of customers. The subscriber base is expected to grow substantially over the next few years. On 29th April 2005, Multipolar announced a proposed rights issue of 2,339,710,000 new shares at a subscription price of Rp125 per rights share for raising a total of approximately Rp292,463,750,000 (approximately HK\$237,775,000). The net proceeds will be used to strengthen its capital base for future development and growth amid increasing competition and to reduce its gearing.

DISCLOSURE OF INTERESTS IN SECURITIES

Directors and Chief Executive

As at 31st March 2005, 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

The spouse of Mr. King Fai Tsui was interested in 50,000 shares of Hongkong Chinese Limited, an associated corporation of the Company (representing approximately 0.00% in the issued share capital thereof).

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

Long Position in Underlying Shares of the Company and Associated Corporations

(i) Physically settled equity derivatives

Pursuant to the Pre-IPO Share Option Plan of the Company (the "Pre-IPO Plan"), the Directors and the chief executive of the Company were granted on 23rd June 2000

(the “Grant Date”) options to subscribe for shares of the Company at a subscription price of HK\$3.28 per share as follows:

Name	Granted	Number of underlying shares		Percentage of enlarged issued share capital
		Lapsed	Outstanding as of 31st March 2005	
Dr. Cheng Wen Cheng	13,150,000	–	13,150,000 <i>(Note 1)</i>	0.25
Mr. Richard Arthur Woolcott	3,546,000	–	3,546,000 <i>(Note 2)</i>	0.07
Mr. Kwok Ming Cheung	2,364,000	–	2,364,000 <i>(Note 3)</i>	0.04
Mr. Marshall Wallace Cooper	355,000	–	355,000 <i>(Note 4)</i>	0.01
Total	<u>19,415,000</u>	<u>–</u>	<u>19,415,000</u>	

Notes:

- 1,330,000 shares became exercisable from 14th January 2001 and 2,364,000 shares from each of 1st June 2001, 1st June 2002, 1st June 2003 and 1st June 2004; 2,364,000 shares shall become exercisable from 1st June 2005.*
- 354,600 shares became exercisable from each of 14th January 2001 and 1st April 2001 and 709,200 shares from each of 1st April 2002, 1st April 2003, 1st April 2004 and 1st April 2005.*
- 236,400 shares became exercisable from each of 14th January 2001 and 1st April 2001 and 472,800 shares from each of 1st April 2002, 1st April 2003, 1st April 2004 and 1st April 2005.*
- 35,500 shares became exercisable from each of 14th January 2001 and 1st April 2001 and 71,000 shares from each of 1st April 2002, 1st April 2003, 1st April 2004 and 1st April 2005.*
- The exercise period for all such shares shall end 10 years from the Grant Date (the “Expiry Date”).*

(ii) *Cash settled and other equity derivatives*

None of the Directors or the chief executive of the Company were interested in any long position in cash settled or other equity derivatives of the Company or any of its associated corporations.

Short position in Shares, Underlying Shares and Debentures of the Company and Associated Corporations

None of the Directors or the chief executive of the Company were interested in any short position in the shares, underlying shares or debentures of the Company or any of its associated corporations.

Substantial Shareholders

As at 31st March 2005, the interests and short positions of the substantial shareholders of the Company in the shares and underlying shares (in respect of positions held pursuant to equity derivatives) of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long Position in Shares of the Company

Name	Number of shares	Percentage of issued share capital
Grandhill Asia Limited	500,000,000	9.87
Lippo Cayman Limited	3,669,576,788	72.45
Lanius Limited	3,669,576,788	72.45
Dr. Mochtar Riady	3,669,576,788	72.45
Madam Lidya Suryawaty	3,669,576,788	72.45

Note:

The shares of the Company were held by direct and indirect wholly-owned subsidiaries (including Cyport Limited and its wholly-owned subsidiary, Grandhill Asia Limited) of Lippo Cayman Limited ("Lippo Cayman") and Mideast Pacific Strategic Holdings Limited in which Lippo Cayman controlled a 30% interest. Lanius Limited ("Lanius") was the registered shareholder of the entire issued share capital of Lippo Cayman. Lanius was the trustee of a discretionary trust, of which Dr. Mochtar Riady is the founder. The beneficiaries of the trust included Dr. Mochtar Riady and his family members. Dr. Mochtar Riady was not the registered holder of any shares in the issued share capital of Lanius.

Long Position in Underlying Shares of the Company

None of the substantial shareholders of the Company were interested in any long position in the underlying shares of the Company.

Short Position in Shares and Underlying Shares of the Company

None of the substantial shareholders of the Company were interested in any short position in the shares or underlying shares of the Company.

Other Persons

As at 31st March 2005, no other persons had any interests or short positions in the shares or underlying shares (in respect of positions held pursuant to equity derivatives) of the Company according to the registers required to be kept by the Company under the SFO.

SHARE OPTIONS

As at 31st March 2005, options granted on the Grant Date to 11 participants (other than the Directors of the Company) to subscribe for an aggregate of 12,766,000 shares of the Company at a subscription price of HK\$3.28 per share were outstanding. The option for each grantee is exercisable in accordance with the Pre-IPO Plan at any time during a period commencing from the respective commencement dates and ending on the Expiry Date in accordance with the following schedule:

Commencement date	Percentage of underlying shares
14th January 2001	10
1st April 2001	10
1st April 2002	20
1st April 2003	20
1st April 2004	20
1st April 2005	20

The following options under the Pre-IPO Plan were outstanding during the Three-month Period:

Participant	Number of underlying shares		
	As at 1st January 2005	Lapsed during the period	As at 31st March 2005
Directors	19,415,000	–	19,415,000
Others	12,789,800	23,800	12,766,000
Total	<u>32,204,800</u>	<u>23,800</u>	<u>32,181,000</u>

The Company also has a share option scheme adopted on 14th May 2002 (the "2002 Scheme") under which employees of AcrossAsia Group (including the Directors of the Company) and other persons may be granted on or after 15th May 2002 options to subscribe for shares of the Company subject to the terms and conditions stipulated in the 2002 Scheme. No options had been granted under the 2002 Scheme as at 31st March 2005.

COMPETING INTERESTS

The Lippo Group (a general reference to the companies (including Lippo Cayman) in which Dr. Mochtar 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 other technology related business, including telecommunications in Hong Kong and other parts in Asia during the Three-month Period. There was a chance that such businesses might have competed with AcrossAsia Group during the Three-month Period.

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

AUDIT COMMITTEE

The Company established an audit committee on 23rd June 2000 with written terms of reference in accordance with Rules 5.28 and 5.29 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of AcrossAsia Group. The audit committee has met twice this year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

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

By Order of the Board
Richard Woolcott
Chairman

Hong Kong, 13th May 2005