



# 2007

Third Quarterly Report

## ACROSS ASIA LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code 8061)

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*This report, for which the Directors of AcrossAsia Limited (the “Company”) (namely, executive Director: Mr. Marshall Wallace COOPER; non-executive Directors: Dr. Cheng Wen CHENG and Mr. Bunjamin Jonatan MAILLOOL; and independent non-executive Directors: Mr. Albert Saychuan CHEOK and Dr. Boh Soon LIM) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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: (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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Stock Code: 8061

## Third Quarterly Report 2007

For the nine months ended 30th September 2007

### HIGHLIGHTS

- AcrossAsia Group's turnover increased by 20.1% to HK\$6,471.0 million for the Nine-month Period from HK\$5,390.2 million for the same period in 2006.
- Gross profit rose by 18.7% to HK\$1,728.1 million from HK\$1,456.0 million for the corresponding period in 2006. Gross profit margin slightly decreased to 26.7% from 27.0% for the comparison period in 2006.
- Profit from operations surged by 93.2% to HK\$479.6 million from HK\$248.2 million for the same period in 2006.
- Total operating expenses (excluding other income and expenses) increased by 14.4% to HK\$1,485.9 million compared to HK\$1,299.4 million for the corresponding period in 2006.
- EBITDA (excluding other income and expenses) increased by 24.2% to HK\$518.5 million from HK\$417.6 million for the same period in 2006.
- Profit attributable to the shareholders of the Company was HK\$2.4 million compared to a loss of HK\$13.3 million for the corresponding period in 2006.

## THIRD QUARTERLY RESULTS (UNAUDITED)

The Directors of AcrossAsia Limited (the "Company") announce the unaudited consolidated results of the Company and its subsidiaries (collectively "AcrossAsia Group") for the nine months ended 30th September 2007 (the "Nine-month Period") together with comparative figures for the corresponding period ended 30th September 2006, as follows:

|   | Notes | Nine months ended<br>30th September |                  | Three months ended<br>30th September |                  |
|---|-------|-------------------------------------|------------------|--------------------------------------|------------------|
|   |       | 2007<br>HK\$'000                    | 2006<br>HK\$'000 | 2007<br>HK\$'000                     | 2006<br>HK\$'000 |
| Turnover  | 2     | <b>6,470,987</b>                    | 5,390,200        | <b>2,435,803</b>                     | 2,054,760        |
| Cost of goods sold and<br>services rendered                                 |       | <b>(4,742,902)</b>                  | (3,934,169)      | <b>(1,783,207)</b>                   | (1,513,148)      |
| Gross profit  |       | <b>1,728,085</b>                    | 1,456,031        | <b>652,596</b>                       | 541,612          |
| Other income  |       | <b>237,389</b>                      | 91,602           | <b>75,941</b>                        | 42,015           |
| Selling and distribution costs  |       | <b>(500,391)</b>                    | (399,655)        | <b>(192,411)</b>                     | (141,346)        |
| General and administrative<br>expenses                                      |       | <b>(985,492)</b>                    | (899,768)        | <b>(372,071)</b>                     | (358,369)        |
| Profit from operations  |       | <b>479,591</b>                      | 248,210          | <b>164,055</b>                       | 83,912           |
| Finance costs   |       | <b>(386,841)</b>                    | (214,577)        | <b>(129,423)</b>                     | (77,470)         |
| Shares of results of associates   |       | <b>4,456</b>                        | 5,455            | <b>2,031</b>                         | 2,275            |
| Profit before income tax  |       | <b>97,206</b>                       | 39,088           | <b>36,663</b>                        | 8,717            |
| Income tax expense  | 3     | <b>(15,202)</b>                     | (11,734)         | <b>(8,406)</b>                       | (254)            |
| Profit for the period   |       | <b>82,004</b>                       | 27,354           | <b>28,257</b>                        | 8,463            |
| Profit/(loss) attributable to:  |       |                                     |                  |                                      |                  |
| Shareholders of the Company   | 4     | <b>2,380</b>                        | (13,322)         | <b>(2,293)</b>                       | (7,694)          |
| Minority interests  |       | <b>79,624</b>                       | 40,676           | <b>30,550</b>                        | 16,157           |
|   |       | <b>82,004</b>                       | 27,354           | <b>28,257</b>                        | 8,463            |
| Earnings/(loss) per share<br>attributable to shareholders<br>of the Company | 4     |                                     |                  |                                      |                  |
| Basic (HK cents)  |       | <b>0.05</b>                         | (0.26)           | <b>(0.05)</b>                        | (0.15)           |
| Diluted (HK cents)  |       | <b>N/A</b>                          | N/A              | <b>N/A</b>                           | N/A              |

Notes:

## 1. Basis of preparation

The unaudited consolidated results have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and applicable disclosures required by the GEM Listing Rules. All significant intra-group transactions have been eliminated on consolidation.

The Audit Committee has reviewed the unaudited consolidated results of AcrossAsia Group for the Nine-month Period.

## 2. Segment information

### (a) Business segments

The following tables present revenue and profit information regarding AcrossAsia Group's business segments for the Nine-month Period and the corresponding period in 2006:

#### (i) The Nine-month Period

|                                | Retail           | Broadband<br>Services | IT Solutions   | Others          | Eliminations    | Consolidated     |
|--------------------------------|------------------|-----------------------|----------------|-----------------|-----------------|------------------|
|                                | HK\$'000         | HK\$'000              | HK\$'000       | HK\$'000        | HK\$'000        | HK\$'000         |
| Revenue:                       |                  |                       |                |                 |                 |                  |
| Sales to external customers    | 5,826,353        | 296,840               | 347,794        | -               | -               | 6,470,987        |
| Intersegment sales             | -                | 2,479                 | 18,122         | -               | (20,601)        | -                |
| <b>Total</b>                   | <b>5,826,353</b> | <b>299,319</b>        | <b>365,916</b> | <b>-</b>        | <b>(20,601)</b> | <b>6,470,987</b> |
| <b>Segment results</b>         | <b>226,430</b>   | <b>12,822</b>         | <b>117,072</b> | <b>(10,784)</b> | <b>(5,847)</b>  | <b>339,693</b>   |
| Interest income                |                  |                       |                |                 |                 | 139,898          |
| Profit from operations         |                  |                       |                |                 |                 | 479,591          |
| Finance costs                  |                  |                       |                |                 |                 | (386,841)        |
| Share of results of associates | -                | -                     | -              | 4,456           | -               | 4,456            |
| Profit before income tax       |                  |                       |                |                 |                 | 97,206           |
| Income tax expense             |                  |                       |                |                 |                 | (15,202)         |
| <b>Profit for the period</b>   |                  |                       |                |                 |                 | <b>82,004</b>    |

(ii) The corresponding period in 2006

|                                | Retail<br>HK\$'000 | Broadband<br>Services<br>HK\$'000 | IT Solutions<br>HK\$'000 | Others<br>HK\$'000 | Eliminations<br>HK\$'000 | Consolidated<br>HK\$'000 |
|--------------------------------|--------------------|-----------------------------------|--------------------------|--------------------|--------------------------|--------------------------|
| Revenue:                       |                    |                                   |                          |                    |                          |                          |
| Sales to external customers    | 4,799,945          | 248,926                           | 341,329                  | -                  | -                        | 5,390,200                |
| Intersegment sales             | -                  | 3,173                             | 23,375                   | -                  | (26,548)                 | -                        |
| <b>Total</b>                   | <b>4,799,945</b>   | <b>252,099</b>                    | <b>364,704</b>           | <b>-</b>           | <b>(26,548)</b>          | <b>5,390,200</b>         |
| <b>Segment results</b>         | <b>181,222</b>     | <b>13,001</b>                     | <b>25,581</b>            | <b>(2,336)</b>     | <b>(2,441)</b>           | <b>215,027</b>           |
| Interest income                |                    |                                   |                          |                    |                          | 33,183                   |
| Profit from operations         |                    |                                   |                          |                    |                          | 248,210                  |
| Finance costs                  |                    |                                   |                          |                    |                          | (214,577)                |
| Share of results of associates | -                  | -                                 | -                        | 5,455              | -                        | 5,455                    |
| Profit before income tax       |                    |                                   |                          |                    |                          | 39,088                   |
| Income tax expense             |                    |                                   |                          |                    |                          | (11,734)                 |
| Profit for the period          |                    |                                   |                          |                    |                          | 27,354                   |

**(b) Geographical segments**

Over 90% of AcrossAsia Group's revenue for the Nine-month Period and the corresponding period in 2006 was attributable to its operations in Indonesia. Accordingly, no analysis by geographical segments is presented.

### 3. Income tax expense

|                                | Nine months ended<br>30th September |                  | Three months ended<br>30th September |                  |
|--------------------------------|-------------------------------------|------------------|--------------------------------------|------------------|
|                                | 2007<br>HK\$'000                    | 2006<br>HK\$'000 | 2007<br>HK\$'000                     | 2006<br>HK\$'000 |
| Current tax – overseas         | 16,085                              | 7,727            | 13,014                               | 1,071            |
| Deferred income tax<br>expense | (883)                               | 4,007            | (4,608)                              | (817)            |
|                                | 15,202                              | 11,734           | 8,406                                | 254              |

No provision for Hong Kong profits tax has been made for the Nine-month Period (2006: Nil) as AcrossAsia Group did not generate any assessable profits arising in Hong Kong. Taxes charged on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which AcrossAsia Group operate, 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% (2006: 30%) of the individual entities' respective assessable profits in accordance with Indonesian income tax law.

### 4. Earnings/(loss) per share

The calculation of basic earnings/(loss) per share attributable to the shareholders of the Company is based on the profit attributable to the shareholders of the Company for the Nine-month Period of HK\$2,380,000 (2006: loss of HK\$13,322,000) and 5,064,615,385 (2006: 5,064,615,385) ordinary shares in issue during the Nine-month Period.

No diluted earnings/(loss) per share are presented as the Company did not have any dilutive potential ordinary shares during the Nine-month Period and the corresponding period in 2006.

## 5. Reserves

|  | Attributable to shareholders of the Company |                                   |                             |   |  |                                 |                                |                   |                                |                          |
|--|---|-----------------------------------|-----------------------------|---|--|---------------------------------|--------------------------------|-------------------|--------------------------------|--------------------------|
|  | Issued capital<br>HK\$'000                  | Share premium account<br>HK\$'000 | Capital reserve<br>HK\$'000 | Equity transactions of associates<br>HK\$'000 | Investment revaluation reserve<br>HK\$'000 | Translation reserve<br>HK\$'000 | Accumulated losses<br>HK\$'000 | Total<br>HK\$'000 | Minority interests<br>HK\$'000 | Total equity<br>HK\$'000 |
| At 1st January 2006                      | 506,462                                     | 32,877                            | 1,464,802                   | 7,659   | -  | (685,616)                       | (784,710)                      | 541,474           | 1,421,668                      | 1,963,142                |
| Currency translation differences         | -   | -                                 | -                           | (2,241)                                       | -  | 42,258                          | -                              | 40,017            | 96,422                         | 136,439                  |
| Net income recognised directly in equity | -   | -                                 | -                           | (2,241)                                       | -  | 42,258                          | -                              | 40,017            | 96,422                         | 136,439                  |
| Profit for the period                    | -   | -                                 | -                           | -   | -  | -                               | (13,322)                       | (13,322)          | 40,676                         | 27,354                   |
| Total recognised income for the period   | -   | -                                 | -                           | (2,241)                                       | -  | 42,258                          | (13,322)                       | 26,695            | 137,098                        | 163,793                  |
| Dividends paid to minority interests     | -   | -                                 | -                           | -   | -  | -                               | -                              | -                 | (26,480)                       | (26,480)                 |
| At 30th September 2006                   | 506,462                                     | 32,877                            | 1,464,802                   | 5,418   | -  | (643,358)                       | (798,032)                      | 568,169           | 1,532,286                      | 2,100,455                |
| At 1st January 2007                      | 506,462                                     | 32,877                            | 1,464,802                   | 7,659   | 12,319                                     | (632,484)                       | (773,058)                      | 618,577           | 1,629,061                      | 2,247,638                |
| Rights issues of subsidiaries            | -   | -                                 | -                           | -   | -  | -                               | -                              | -                 | 564,391                        | 564,391                  |
| Change in equity                         | -   | -                                 | -                           | -   | -  | -                               | -                              | -                 | (10,675)                       | (10,675)                 |
| Currency translation differences         | -   | -                                 | -                           | -   | -  | (20,644)                        | -                              | (20,644)          | (27,318)                       | (47,962)                 |
| Net income recognised directly in equity | -   | -                                 | -                           | -   | -  | (20,644)                        | -                              | (20,644)          | 526,398                        | 505,754                  |
| Profit for the period                    | -   | -                                 | -                           | -   | -  | -                               | 2,380                          | 2,380             | 79,624                         | 82,004                   |
| Total recognised income for the period   | -   | -                                 | -                           | -   | -  | (20,644)                        | 2,380                          | (18,264)          | 606,022                        | 587,758                  |
| Dividends paid to minority interests     | -   | -                                 | -                           | -   | -  | -                               | -                              | -                 | (22,891)                       | (22,891)                 |
| At 30th September 2007                   | 506,462                                     | 32,877                            | 1,464,802                   | 7,659   | 12,319                                     | (653,128)                       | (770,678)                      | 600,313           | 2,212,192                      | 2,812,505                |

## 6. Comparative figures

Certain comparative figures have been reclassified to conform to the Nine-month Period's presentation. The new classification of the accounting items was considered to provide a more appropriate presentation of the state of affairs of AcrossAsia Group.



## INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Nine-month Period (2006: Nil).

## FINANCIAL REVIEW

The results of AcrossAsia Group for the Nine-month Period were analysed based on its three core business segments namely, Retail, Broadband Services and IT Solutions.

### Turnover

AcrossAsia Group's turnover increased by 20.1% to HK\$6,471.0 million from HK\$5,390.2 million for the same period in 2006. By business segments: turnover from Retail grew by 21.4% to HK\$5,826.4 million from HK\$4,799.9 million for the same period in 2006. The growth was mainly driven by continuous sales growth from its retail business and the pre-holiday season sales in Indonesia; Broadband Services' turnover increased by 19.3% to HK\$296.9 million from HK\$248.9 million for the same period in 2006, mainly attributable to increased income generated from insertion fees and the corporate access network project for a mobile operator; and IT Solutions posted revenue of HK\$347.8 million compared to HK\$341.3 million for the same period in 2006.

### Gross Profit

AcrossAsia Group's gross profit increased by 18.7% to HK\$1,728.1 million from HK\$1,456.0 million for the corresponding period in 2006. Gross profit margin slightly decreased to 26.7% from 27.0% for the corresponding period in 2006 mainly due to a reduction in profit margin in exchange for an increase in sales volume.

## Profit from Operations

AcrossAsia Group's profit from operations increased by 93.2% to HK\$479.6 million from HK\$248.2 million for the same period in 2006, mainly due to continuous growth in Retail and other income.

During the Nine-month Period, other income increased by 1.6 times to HK\$237.4 million from HK\$91.6 million for the comparison period in 2006 mainly due to continuous increase in rental income and interest income as a result of increase in the areas of stores operated and bank balance.

Total operating expenses (excluding other income and expenses) increased by 14.4% to HK\$1,485.9 million from HK\$1,299.4 million for the same period in 2006. The increase in operating costs was in line with the opening of new stores and hypermarkets and the increased corporate activities during the Nine-month Period.

EBITDA (excluding other income and expenses) increased by 24.2% to HK\$518.5 million from HK\$417.6 million for the same period in 2006. The increase was mainly attributable to sales growth as a result of new stores opened and increased customer patronage of Hypermart stores.

## Share of Results of Associates

AcrossAsia Group's share of the results of associates decreased to HK\$4.5 million from HK\$5.5 million for the corresponding period in 2006.

## Profit/(loss) attributable to Shareholders

AcrossAsia Group recorded a profit attributable to the shareholders of the Company of HK\$2.4 million compared to a loss of HK\$13.3 million for the same period in 2006.

## BUSINESS REVIEW

AcrossAsia Group continued to focus on its core business operations so as to enhance its leading position as a consumer-oriented service provider through the following major subsidiaries:

### Matahari

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 25.6% effective interest), the core of Retail, maintains its position as the largest listed multi-format modern retailer in Indonesia. As of 30th September 2007, it operated 81 Matahari Department Stores, 31 Hypermart stores, 28 foodmart stores, 4 Kids2Kids children specialty stores, 39 Boston healthcare outlets and more than 93 TimeZone family entertainment centres in over 50 cities across Indonesia. During the Nine-month Period, 4 Hypermart stores were opened.

Matahari Department Stores, as the largest department store chain in Indonesia, focused on its private brands and continued sourcing new merchandise assortments so as to capture the changing consumers’ behaviour.

In May, a new brand of “foodmart” was launched with a feature of providing better product mix from new assortments of international brands. Together with the new design, foodmart provides higher-level retail services of international standard and modern shopping experience to its valuable customers. All Matahari Supermarkets have already been converted into foodmart stores. On the other hand, Matahari continued its expansion plan by opening new Hypermart stores. The promotional programs of foodmart and Hypermart stores were launched for boosting pre-holiday season sales in Indonesia.

TimeZone, the leader in family entertainment centres in Indonesia, offers conventional and innovative mechanical and video games for all ages. TimeZone continued its focus on bringing new excitements to all customers.

Matahari's corporate and bonds' ratings were upgraded to A+/Stable by a rating agency in Indonesia recently. Matahari successfully completed its rights issue raising Rp1 trillion (approximately HK\$838 million) in January 2007 for the purpose of its long-term aggressive expansion plan.

## First Media

PT First Media Tbk ("First Media", a subsidiary of the Company listed on the Surabaya Stock Exchange in which the Company has a 72.7% effective interest), is the flagship of Broadband Services. Through the launch of a new brand "First Media", First Media provides a new lifestyle of connectivity to customers in Indonesia through Triple-play – unlimited Fastnet (high speed Internet connection services launched on 1st September 2007), HomeCable with multi-channel TV for entertainment, information and education, and DataCom (reliable and efficient broadband services for business solutions).

As the largest multimedia operator in Indonesia offering more than 90 television channels, First Media operates technologically advanced cable systems. Its fibre-optic cable rings have access to 141 office buildings in Jakarta, while its Hybrid Fiber Coaxial cable network has access to 50% of high-income residential homes in Jakarta and Tangerang, 60% of residential apartments and 30% of all office buildings in Jakarta. Currently, First Media continues to be the sole network provider of the Jakarta Stock Exchange's JATS-Remote Trading project that enables stockbrokers to remotely trade from their respective offices via the fibre-optic network.

As at 30th September 2007, the number of cable TV subscribers was approximately 134,510 with a penetration rate of 38.8%. The network reached approximately 3,470 km, passing more than 347,011 homes and MDU (multiple dwelling units such as apartments, hospitals and other multi-storey buildings), and covering major residential and central business districts in greater Metropolitan Jakarta and other prime cities in Indonesia. Migration to a fully digitised platform is in progress. First Media has over 25,000 broadband Internet subscribers as at 30th September 2007.

To support its business expansion, First Media successfully completed its rights issue raising approximately Rp220.8 billion (approximately HK\$185.5 million) in February 2007.

## Multipolar

PT Multipolar Tbk (“Multipolar”, a 51.15% owned subsidiary of the Company listed on the Jakarta Stock Exchange and the Surabaya Stock Exchange), being the core of IT Solutions, is one of the prominent professional IT solutions providers in Indonesia with four core units: hardware and infrastructure, business solutions, consulting services and outsourcing services.

Multipolar offers innovative services to its clients with its experienced teams, world-class IT solutions partners (such as IBM, Cisco Systems, Sun and Oracle), latest technologies and quality services. Its range of services can provide different solutions to different clientele, ranging from small medium business to larger enterprises. Several solutions have been developed, introduced and implemented to suit different corporate needs.

Multipolar’s outsourcing services unit has shown significant growth with three core offerings – data centre shared facilities, field services, and micro-payment. Such offerings comprise data centre maintenance and Business Process Outsourcing (BPO) ranging from Electronic Data Center (EDC) to Automatic Teller Machine (ATM), and also provides shared services for various applications such as core banking system, financial system, document management, facilities management and HR management. The profit margin in hardware and infrastructure business was still very thin due to the competition, but the clientele has been further enlarged to maintain its leading position. Multipolar managed to close several major deals for clients in the government and telecommunications sectors.

Multipolar’s rights issue was successfully completed in February 2007 raising Rp321.5 billion (approximately HK\$273.4 million) for the purpose of maintaining its interest in Matahari. It distributed a cash dividend of Rp6.8 billion to its shareholders in July 2007.

## PROSPECTS

AcrossAsia Group continues to develop its core businesses to enjoy the benefits of the economic growth of Indonesia while staying alert of the changing international conditions. Matahari plans to open 4 Matahari Department Stores and 5 Hypermart stores as well as several supporting format stores during the fourth quarter of 2007.

First Media is digitalizing its existing network and is rolling it out to cover 1 million homes so as to increase penetration as well as revenue. Multipolar is striving to further enhance its clientele and IT businesses amidst competition.

## DISCLOSURE OF INTERESTS IN SECURITIES

### Directors and Chief Executive

As at 30th September 2007, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares (in respect of positions held pursuant to equity derivatives) and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as notified to the Company and the Stock Exchange under Rule 5.46 of the GEM Listing Rules or as otherwise required by Rule 23.07 of the GEM Listing Rules were as follows:

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

Mr. Albert Saychuan CHEOK was interested in 2,600,000 shares of the Company (representing approximately 0.05% of 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                        | Number of underlying shares |          |                                       | Percentage of enlarged issued share capital |
|-----------------------------|-----------------------------|----------|---------------------------------------|---|
|                             | Granted                     | Lapsed   | Outstanding as of 30th September 2007 |   |
| Dr. Cheng Wen Cheng         | 13,150,000                  | –        | 13,150,000 <i>(Note 1)</i>            | 0.25  |
| Mr. Marshall Wallace Cooper | 355,000                     | –        | 355,000 <i>(Note 2)</i>               | 0.01  |
| <b>Total</b>                | <b>13,505,000</b>           | <b>–</b> | <b>13,505,000</b>                     |   |

#### 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, 1st June 2004 and 1st June 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").
- Mr. Kwok Ming Cheung resigned as an independent non-executive Director of the Company with effect from 1st July 2007. As a result, his option to subscribe for 2,364,000 shares shall lapse on 31st December 2007.

(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 30th September 2007, 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 ("Dr. 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. Riady is the founder. The beneficiaries of the trust included Dr. Riady and his family members. Dr. 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 30th September 2007, 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 30th September 2007, 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 Nine-month Period:

| Participant                                  | Number of underlying shares  |                                |                                 |
|--|------------------------------|--------------------------------|---------------------------------|
|  | As at<br>1st January<br>2007 | Lapsed<br>during<br>the period | As at<br>30th September<br>2007 |
| Directors (including<br>a resigned Director) | 15,869,000                   | –                              | 15,869,000                      |
| Others                                       | 12,766,000                   | –                              | 12,766,000                      |
| <b>Total</b>                                 | <b>28,635,000</b>            | <b>–</b>                       | <b>28,635,000</b>               |

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 30th September 2007.

## COMPETING INTERESTS

The Lippo Group (a general reference to the companies (including Lippo Cayman) in which Dr. Riady and his family have a direct or indirect interest; the Lippo Group is not a legal entity and does not operate as one; each of the companies in the Lippo Group operates within its own legal, corporate and financial framework) might have had or developed interests in businesses in Hong Kong and other parts in Asia similar to those of AcrossAsia Group during the Nine-month Period. There was a chance that such businesses might have competed with AcrossAsia Group during the Nine-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 Board established an audit committee (the "Audit Committee") on 23rd June 2000 with written terms of reference in accordance with Rules 5.28 and 5.29 of the GEM Listing Rules. The primary duties of the Audit Committee are, inter alia, to review and monitor the financial reporting and audit matters as well as the financial control, internal control and risk management systems of AcrossAsia Group. The Audit Committee has met four times this year.

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

During the Nine-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  
**Marshall Wallace Cooper**  
*Director and Chief Executive Officer*

Hong Kong, 9th November 2007