AcrossAsia Limited

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

ANNUAL REPORT 2008

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This Annual Report, for which the Directors of AcrossAsia Limited (the "Company") (namely, executive Director: Mr. Marshall Wallace COOPER; and independent non-executive Directors: Mr. Albert Saychuan CHEOK, Dr. Boh Soon LIM and Mr. Kwong Yiu MAK) 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 Annual 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 Annual Report misleading; and (3) all opinions expressed in this Annual Report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

Contents

Corporate Information

DIRECTORS
Executive Director
Marshall Wallace COOPER
(Chief Executive Officer)

Independent non-executive Directors
Albert Saychuan CHEOK
(Chairman of the Board)
Dr. Boh Soon LIM
Kwong Yiu MAK

COMPANY SECRETARY
Kelsch Woon Kun WONG, FCIS, FCS

COMPLIANCE OFFICER
Marshall Wallace COOPER

AUDIT COMMITTEE
Albert Saychuan CHEOK
(Chairman of the Audit Committee)
Dr. Boh Soon LIM
Kwong Yiu MAK

REMUNERATION COMMITTEE
Albert Saychuan CHEOK
(Chairman of the Remuneration Committee)
Dr. Boh Soon LIM

AUTHORISED REPRESENTATIVES
Marshall Wallace COOPER
Kelsch Woon Kun WONG

AUTHORISED PERSON TO ACCEPT SERVICE OF PROCESS AND NOTICES
Kelsch Woon Kun WONG

REGISTERED OFFICE
P.O. Box 309GT, Ugland House
George Town, Grand Cayman
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG
Room 4302, 43rd Floor, Tower One
Lippo Centre, 89 Queensway
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE
Butterfield Fulcrum Group (Cayman) Limited
P.O. Box 705, Butterfield House
Fort Street, George Town
Grand Cayman
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE
Tricor Tengis Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Hong Kong

LEGAL ADVISERS TO THE COMPANY
As to Hong Kong Law:
Richards Butler
20th Floor, Alexandra House
16-20 Chater Road, Central
Hong Kong

As to Cayman Islands Law:
Maples and Calder Asia
Suite 1504, One International Finance Centre
1 Harbour View Street, Central
Hong Kong

AUDITOR
RSM Nelson Wheeler
Certified Public Accountants
29th Floor, Caroline Centre
Lee Gardens Two
28 Yun Ping Road
Hong Kong

PRINCIPAL BANKERS
CITIC Ka Wah Bank Limited
Lippo Centre, 89 Queensway
Hong Kong

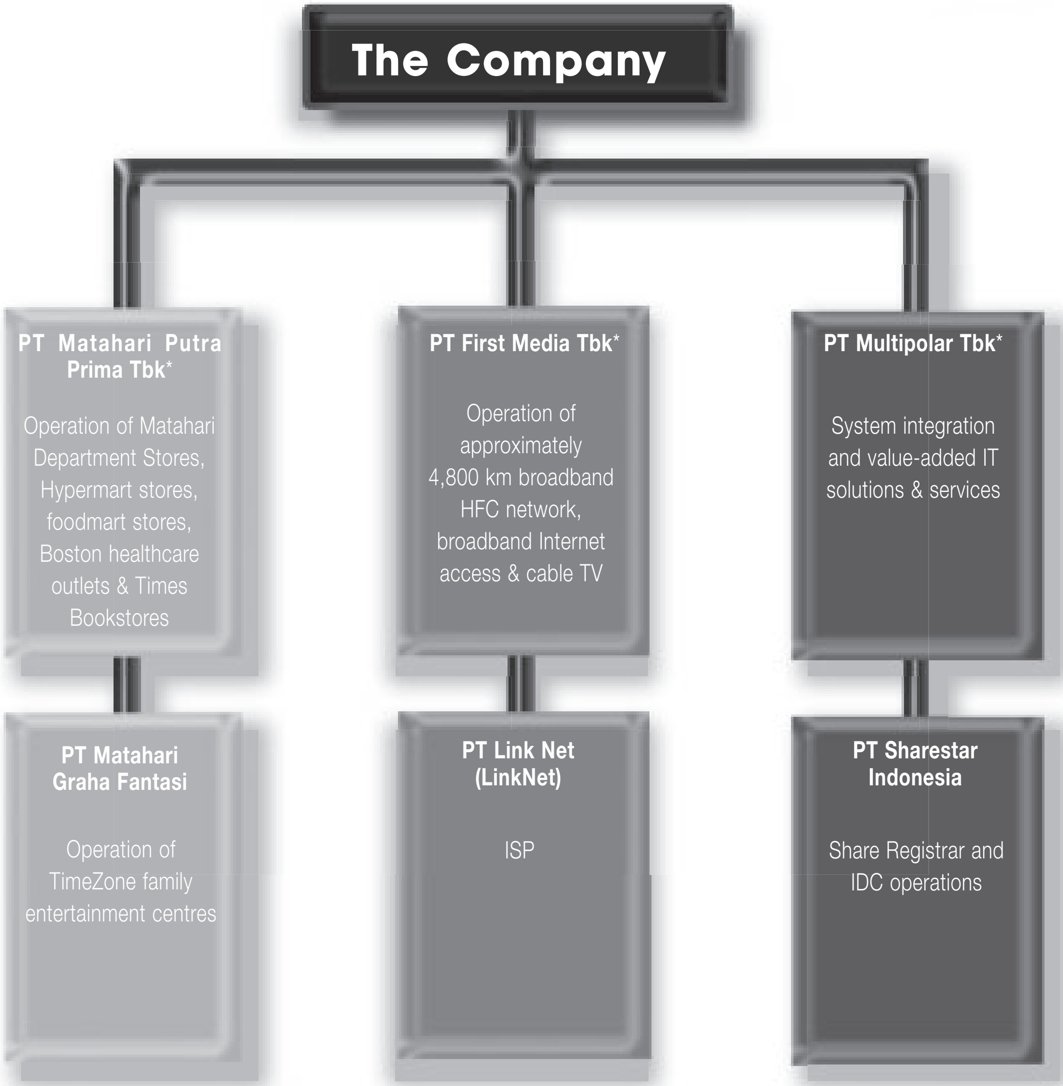
The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

STOCK CODE
8061

WEBSITES OF THE COMPANY AND MAJOR SUBSIDIARIES
www.across-asia.com
www.matahari.co.id
www.firstmedia.com
www.multipolar.com
www.link.net.id

Corporate Structure

As at 31st December 2008



* *Listed on the Indonesia Stock Exchange*

Chairman's Statement

On behalf of the Board, I am pleased to present the annual report of AcrossAsia Limited (the "Company") and its subsidiaries (collectively referred as "AcrossAsia Group") for the year ended 31st December 2008.

2008 will be remembered as the year of the global economic crisis. The financial crisis which started in the US has by October 2008 spilled across the world in an unprecedented way. Asia also succumbed. The speed and scale of the spread of the crisis caught many by surprise. Its impact has been particularly hard hitting, wide reaching and enduring. Economies across the world went into contraction. Financial markets took a beating. Global trade shrank. Businesses and employment slumped.

It was in the face of this approaching difficult operating environment that AcrossAsia Group posted a record turnover of HK$10.7 billion for 2008 as a whole. All the Company's business segments, Retail, Broadband Services and IT Solutions, through PT Matahari Putra Prima Tbk ("Matahari"), PT First Media Tbk ("First Media") and PT Multipolar Tbk ("Multipolar") respectively, contributed to the overall results, with individual growth in turnover ranging from 6.8% to 23.1%.

Matahari's sales came mainly from its two core businesses, Matahari Department Store ("MDS") and food business. Matahari fulfilled its initial plans to open 7 new MDS stores, 17 new Hypermart and foodmart stores as well as 47 new Boston healthcare outlets. First Media saw an increase by over 100% in subscribers using its high-speed Internet access service, bringing the total to 110,000. Continuing recognition from world-class hardware and software providers helped maintain Multipolar's leading position in the IT industry and record strong growth in its outsourcing services.

Whilst the sales turnover results of the AcrossAsia Group for 2008 have yet to feel the impact of global economic crisis, the same cannot be said of the financial side of AcrossAsia Group's operations, which seemingly felt the economic windshift early and directly. AcrossAsia Group recorded significant dent to its financial results from unrealised mark-to-market losses relating to its purposive hedging financial instruments and unrealised exchange losses arising from extraordinary fluctuations of the Indonesian Rupiah.

Against the backdrop of the global economic crisis, the outlook for 2009 looks very challenging indeed. It is likely that 2009 will be equally difficult, if not more difficult than 2008. As the Company relies to a great extent on the profit distributions from its operating subsidiaries which would inevitably be affected by the said crisis, it will need to further contain its costs and to seek financing for its activities. It is hard to predict how long the financial crisis will last and whether it will further worsen. The hope is that it will not. In this regard, it is encouraging to see that governments around the globe have taken concerted actions to address the crisis by taking fiscal steps to stimulate economy, measures to bolster the banking system and initiatives to restore confidence to the markets. It will be a challenging year ahead.

On behalf of the Board of Directors, I would like to thank our shareholders for their continuing support. I would also like to thank my fellow Directors for their dedication, wise counsel and guidance. Last but not least, I extend our appreciation to the Management and Staff for their hard work, contributions and commitment, especially in this turbulent period.

Albert Saychuan CHEOK
Chairman
Hong Kong, 23rd April 2009

Financial Summary

A summary of the consolidated results and of the consolidated assets and liabilities of AcrossAsia Group for the last five financial years is set out below:

	2008	2007	2006	2005	2004
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
CONSOLIDATED RESULTS					
Turnover	**10,683,016**	9,194,939	8,084,146	6,276,514	2,483,147
Gross profit	**2,838,410**	2,508,476	2,209,491	1,830,982	711,034
Profit/(loss) after tax but before minority interests	**(225,358)**	454,485	107,860	117,562	66,742
Profit/(loss) attributable to shareholders	**(119,656)**	63,337	11,652	(3,760)	38,451
CONSOLIDATED ASSETS & LIABILITIES					
Shareholders' equity	**419,225**	631,571	618,577	541,474	563,962
Non-current assets	**4,616,954**	4,399,395	4,197,636	3,332,775	2,757,820
Current assets	**4,235,610**	4,609,871	3,075,112	1,668,781	1,870,199
Current liabilities	**3,914,189**	2,917,756	2,851,454	1,700,332	1,534,217
Non-current liabilities	**2,614,898**	3,002,792	2,173,656	1,338,082	1,238,458

Management Review

FINANCIAL REVIEW

AcrossAsia Group's results for 2008 were analysed based on its three core business segments, namely, Retail, Broadband Services and IT Solutions.

Turnover
During the year under review, AcrossAsia Group achieved an increase in revenue of 16.2% to HK$10,683.0 million compared to HK$9,194.9 million in 2007. Retail recorded a turnover of HK$9,663.8 million with an increase of 16.2% compared to HK$8,314.2 million in 2007 which was mainly contributed by an expansion of department stores and hypermarkets.

Broadband Services recorded an increase of 6.8% to HK$426.1 million compared to HK$399.0 million for 2007. The growth was mainly attributable to the enhancement of the launch of Triple-play services to new and existing subscribers.

IT Solutions contributed HK$593.0 million to turnover compared to HK$481.8 million for the previous year. An increase of 23.1% was mainly due to the substantial increase in outsourcing service.

Gross Profit
AcrossAsia Group's gross profit increased by 13.2% to HK$2,838.4 million from HK$2,508.5 million in 2007. However, the profit margin slightly dropped to 26.6% from 27.3% for 2007 due to lower margin from saleable merchandise.

Profit from Operations
AcrossAsia Group recorded a substantial decrease of profit from operations to HK$72.7 million from HK$904.6 million for 2007. It mainly resulted from a decrease of other income by HK$412.4 million, an increase of net foreign exchange losses of HK$175.9 million and a fair value loss on derivative financial instruments of HK$158.9 million (2007: profit of HK$61.4 million).

Other income (non-core business income) sharply dropped to HK$224.9 million from HK$637.3 million mainly due to lack of a one-off gain on disposal of subsidiaries of HK$363.6 million in 2007.

Total operating expenses (excluding other income and expenses) increased to HK$2,577.9 million from HK$2,224.7 million in 2007 as a result of higher rental expenses of HK$587.4 million (2007: HK$397.9 million) for additional space for Retail's new stores and augmented staff costs of HK$781.6 million (2007: HK$746.5 million) for Retail's operations.

Share of Results of Associates
AcrossAsia Group recorded a share of loss of associates of HK$15.7 million compared to a share of profit of HK$7.1 million for 2007.

Loss attributable to Shareholders
AcrossAsia Group recorded a loss attributable to shareholders of the Company of HK$119.7 million (2007: profit of HK$63.3 million) mainly as a result of a decrease of other income, an increase of net foreign exchange losses and a fair value loss on derivative financial instruments.

Finance Resources and Capital Structure
AcrossAsia Group primarily financed its operations with internally generated cash flows and borrowings during 2008. As at 31st December 2008, AcrossAsia Group had cash and bank balances and financial assets at fair value through profit or loss of HK$2,661.1 million, and had net current assets of HK$321.4 million. The total borrowings amounted to HK$4,279.8 million. The increase was mainly due to the increase in borrowings for continuous business expansion. Borrowings were mainly denominated in Indonesian Rupiah and United States Dollars with interest generally chargeable at market rates, and had maturity dates ranging from less than a year to 5 years. Part of the borrowings was secured by certain current assets, land use rights and buildings, investment properties, machinery and equipment, and available-for-sale financial assets of AcrossAsia Group.

During the year, AcrossAsia Group implemented and is continuing to implement the following management plan to further improve its financial position: restructuring of current liabilities into non-current liabilities; reduction of operating expenses and improvement of operational efficiency; procurement of long term debt/equity financing; identification and securing of strategic investors as business partners; upgrading of the broadband network and increase of the penetration of the cable TV and other broadband services; and development of high margin IT solutions and service offerings.

AcrossAsia Group's gearing ratio, representing total borrowings divided by shareholders' funds, was 10.2 times as at 31st December 2008. Because of significant operations in Indonesia, AcrossAsia Group has foreign currency exposure mainly in transaction and conversion risks. During 2008, the foreign currency exposure had adverse impact on AcrossAsia Group's results. AcrossAsia Group will continue to take measures to minimize its foreign exchange exposure.

BUSINESS REVIEW

AcrossAsia Group has implemented a variety of measures to strengthen its core businesses so as to capture the potential growth in Retail, Broadband Services and IT Solutions. The business performance of its core businesses showed improvement in 2008, and is reported as follows:

Matahari

Matahari (a subsidiary of the Company listed on the Indonesia Stock Exchange in which the Company has an approximately 25.6% effective interest), the core of Retail, maintains its position as the largest listed multi-format modern retailer in Indonesia. As at 31st December 2008, it operated 86 Matahari Department Stores, 43 Hypermart stores, 27 foodmart stores, 54 Boston healthcare outlets, more than 90 TimeZone family entertainment centres and 4 Times international bookstores in over 50 cities across Indonesia. During the year, 7 new Matahari Department Stores (including a conversion store), 15 new Hypermart stores, 2 new foodmart stores, 15 new Boston healthcare outlets and 4 new Times international bookstores were opened.

Through the opening of 7 new department stores, Matahari's department store space had been expanded to approximately 584,000 sqm in total. During the year, the performance of the Department Stores Group in terms of comparable store sales growth rate was outstanding compared to the sector's average for the period. In addition, Matahari successfully introduced a new store design concept "Matahari New Generation", highlighting a new modern image and shopping environment to its valuable customers.

By virtue of opening 7 new Hypermart stores, 2 new foodmart stores and 15 new Boston healthcare outlets, Matahari's new store space for food business totaling 39,156 sqm had been further expanded.

First Media

First Media (a subsidiary of the Company listed on the Indonesia Stock Exchange in which the Company has an approximately 72.4% effective interest) is the flagship of Broadband Services.

First Media offers a new lifestyle of experience and connectivity to its valued customers in Indonesia through Triple-play, namely, FastNet, HomeCable & DataComm. FastNet, an unlimited high speed Internet access service, provides a variety of connection speeds with smart values; HomeCable offers a wide range of local and international TV channels.

As at 31st December 2008, the network reached approximately 4,800 km and passed through approximately 496,000 homes and MDUs (multiple dwelling units such as apartments, hospitals and other multi-storey buildings), with widespread coverage of the major residential and central business districts in greater Metropolitan Jakarta and other prime cities in Indonesia.

Management Review

The cable TV subscribers amounted to approximately 126,700 representing a penetration rate of 26%. In its continuing efforts to improve penetration rate, First Media continues to introduce innovative inter-linked products to customers.

Currently, First Media has approximately 110,200 broadband FastNet subscribers. First Media continues to be the sole network provider of the Indonesia Stock Exchange's JATS-Remote Trading project enabling the stockbrokers to remotely trade from their respective offices via the fibre-optic network.

Multipolar

Multipolar (an approximately 51.2% owned subsidiary of the Company listed on the Indonesia 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 and 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 provide shared services for various applications such as core banking system, financial system, document management, facilities management and HR management.

PROSPECTS

Matahari intends to continue its stores expansion programme by opening new department stores, hypermarkets and format outlets including TimeZone entertainment centres and Times international bookstores. However, in light of the current adverse economic situation, Matahari will closely monitor this expansion programme and if necessary, will adjust its expansion pace by reference to the financial and economic conditions as well as the consumer demand prevailing from time to time.

First Media will continue to focus on the penetration of its core businesses through provision of Triple-play services. Multipolar will continue to focus on its core IT business and other value added services to further enhance its clientele and performance.

EMPLOYEES

As at 31st December 2008, AcrossAsia Group had approximately 19,900 employees (2007: 19,600). Their remuneration, promotion and salary review are assessed based on job responsibilities, work performance, professional experiences and the prevailing industry practices. AcrossAsia Group's employees in Hong Kong joined the Mandatory Provident Fund Scheme. Other benefits include share option granted or to be granted under the share option schemes, incentive bonus and training schemes.

Directors and Senior Management

EXECUTIVE DIRECTOR

Mr. Marshall Wallace COOPER, aged 49, has been an executive Director of the Company since May 2002 and the Chief Executive Officer ("CEO") of the Company since May 2006. He was the Chief Financial Officer of the Company, the CEO, a director and a commissioner of First Media, a commissioner of Multipolar, and a director of Asia Now Resources Corp. listed on TSX Venture Exchange Inc.. He joined AcrossAsia Group in April 1999. He has over 20 years' experience in Asia. Prior to joining AcrossAsia Group, he served as Asia Pacific controller for an oil and gas service company and as regional controller for a mining company. He holds a diploma from Perth Institute of Technology, Australia.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Albert Saychuan CHEOK, aged 58, has been an independent non-executive Director of the Company since February 2006 and the Chairman of the Board of the Company since October 2008. He is a banker with over 30 years of experience in banking in the Asia-Pacific region, particularly in Australia, Hong Kong, Thailand and Malaysia. He is an independent non-executive director of Hongkong Chinese Limited (a fellow subsidiary of the Company listed on the Stock Exchange) and Auric Pacific Group Limited ("Auric") (an associate listed on the Singapore Exchange Securities Trading Limited (the "Singapore Exchange") of a fellow subsidiary of the Company listed on the Stock Exchange). He is the Chairman of Bowsprit Capital Corporation Limited, the Manager of First REIT, in Singapore. He is also the Vice Chairman of the Export and Industry Bank, Inc. in the Philippines. He is a director of Metal Reclamation Berhad in Malaysia. He is currently a member of the Board of Governors of the Malaysian Institute of Corporate Governance in Malaysia. He was the Chairman of Bangkok Bank Berhad in Malaysia from September 1995 to November 2005. He graduated from the University of Adelaide, Australia with a First Class Honours degree in Economics. He is a Fellow of the Australian Society of Certified Public Accountants.

Dr. Boh Soon LIM, aged 53, has been an independent non-executive Director of the Company since May 2006. He is an independent non-executive director of Auric and CSE Global Limited, both of which are listed on the Singapore Exchange. He is the current CEO of Kuwait Finance House (Singapore) Pte. Ltd., and was the former 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. He graduated from the University of Strathclyde (formerly The Royal College of Science & Technology) in 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 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 United Kingdom.

Mr. Kwong Yiu MAK, aged 34, has been an independent non-executive Director of the Company since March 2008. He is currently a director of Convoy Asset Management Limited, the Group Chief Financial Officer of Convoy Financial Group and an executive director of Computech Holdings Limited. He holds Bachelor and Master degrees in Business Administration from the Hong Kong University of Science and Technology. He earned the Chartered Financial Analyst designation in 2000. He is a Certified Public Accountant in the United States and Hong Kong respectively.

SENIOR MANAGEMENT

Mr. Jeffrey Koes WONSONO, aged 49, joined AcrossAsia Group in September 1994 and is the Vice President of the Company, the President Director of Multipolar and a Commissioner of Matahari. Prior to joining AcrossAsia Group, he was an executive director and the Deputy President of various multinational joint venture banks. He is a graduate of Centre for Business Studies of London, England in Marketing and also holds a Master degree in Business Administration from Golden Gate University, USA.

Mr. Bunjamin Jonatan MAILOOL, aged 45, joined AcrossAsia Group in January 2002 and was a non-executive Director of the Company from May 2006 to October 2008. He is the President Director and the CEO of Matahari. Prior to joining AcrossAsia Group, he assumed his position as the CEO of one of the Lippo Group real estate companies, PT Bukit Sentul Tbk (1997-2001). He started his professional career in Citibank NA, Jakarta (1989-1997) with his last position as Vice President - Risk Management Treasury Head. He holds a Master degree in Business Administration from the Central State University of Oklahoma, USA.

Mr. Krishnadi Kartawidjaja, aged 53, joined AcrossAsia Group in June 2008 and is the President Director of First Media. Since 2007, he is the Chief Operating Officer of Hotel Development of Aryaduta Group, a division of PT Lippo Karawaci Tbk. He began his career as Project Coordinator of PT Putera Tolhas (1979-1989), held position as a director of Jaya Group (1981-1994), Sendang Group (1994-1997) and PT Aryaduta Hotels Tbk (1997-1998 and 2000-2004). He holds a Civil Engineering degree from Trisakti University, Indonesia and a Master degree in Business Administration from Prasetya Mulya Institute of of Management, Indonesia.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company has implemented measures to meet the Code on Corporate Governance Practices 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 during 2008 save as disclosed herein.

Following the resignation of Mr. Kwok Ming CHEUNG as an independent non-executive Director of the Company with effect from 1st July 2007 and prior to the appointment of Mr. Kwong Yiu MAK ("Mr. Mak"), the Board only included two independent non-executive Directors out of the total five Directors (of which two of the other three are non-executive Directors). In addition, the Audit Committee only comprised two members. Following the appointment of Mr. Mak as an independent non-executive Director of the Company with effect from 17th March 2008, the Company has complied with the requirements pursuant to Rule 5.05 and Rule 5.28 of the GEM Listing Rules.

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 2008.

BOARD OF DIRECTORS

The composition of the Board and biographical details are set out in the Report of the Directors and also Directors and Senior Management section of the Annual Report respectively.

During 2008, the Board held 5 physical meetings and the attendance of the Directors is as follows:

Name of Director	**Number of Attendance in person or by proxy**	**Percentage of Attendance**
Dr. Cheng Wen CHENG ("Dr. Cheng") *(Note 1)*	4/4	100%
Mr. Albert Saychuan CHEOK ("Mr. Cheok")	5/5	100%
Mr. Marshall Wallace COOPER ("Mr. Cooper")	5/5	100%
Mr. Bunjamin Jonatan MAILOOL ("Mr. Mailool") *(Note 2)*	4/4	100%
Dr. Boh Soon LIM ("Dr. Lim")	5/5	100%
Mr. Kwong Yiu MAK *(Note 3)*	5/5	100%

Notes:

1. *Dr. Cheng resigned as the Chairman of the Board and a non-executive Director with effect from 29th October 2008.*
2. *Mr. Mailool resigned as a non-executive Director with effect from 29th October 2008.*
3. *Mr. Mak was appointed as an independent non-executive Director with effect from 17th March 2008.*

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 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, committees of the Board and the management team. 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 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.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company has two different persons for the posts of the Chairman of the Board and Chief Executive Officer. The Chairman of the Board, Mr. Cheok, is an independent non-executive Director and generally chairs all the board meetings and general meetings. The Chief Executive Officer, Mr. Cooper, is an executive Director and responsible for the day-to-day management of the Company and for carrying out the decisions of the Board with the assistance of other staff.

NON-EXECUTIVE DIRECTORS

The term of office of Mr. Cheok was extended for two years from 22nd February 2008 pursuant to a letter dated 20th February 2008.

The term of office of Dr. Lim was extended for two years from 2nd May 2008 pursuant to a letter dated 28th April 2008.

Dr. Cheng and Mr. Mailool, whose respective appointments were for a term of two years from 2nd May 2006 and were extended to 1st May 2010 pursuant to the letters both dated 28th April 2008, resigned as the non-executive Directors with effect from 29th October 2008.

Mr. Mak was appointed pursuant to a letter of appointment dated 17th March 2008 for a term of two years from 17th March 2008.

REMUNERATION OF DIRECTORS

The Board established a remuneration committee (the "Remuneration Committee") which currently comprises two independent non-executive Directors, namely, Mr. Cheok (being the Chairman of the Remuneration Committee) and Dr. Lim. The primary duties of the Remuneration Committee are, inter alia, to make necessary recommendations to the Board on, and review and approve remuneration matters of the Directors and the Senior Management and to administer the share option plan and scheme of the Company. During 2008, the Remuneration Committee did not hold any meeting as the relevant matters were considered by the Board and/or administered in accordance with previously signed service contracts, letters of appointment and/or set policies.

NOMINATION OF DIRECTORS

The Board has the power to appoint Director(s) pursuant to the Articles. In March 2008, the Board appointed Mr. Mak as an independent non-executive Director after referral and consideration by reference to his experience, expertise and professional qualifications as well as the GEM Listing Rules' requirements.

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 total amount of HK$935,000. During 2008, the auditor of the Company also provided non-audit services to the Company in the total sum of HK$440,000.

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 Audit Committee currently comprises three independent non-executive Directors, namely, Mr. Cheok (being the Chairman of the Audit Committee), Dr. Lim and Mr. Mak. 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 during 2008 and the attendance of the members is as follows:

Name of Member	Number of Attendance	Percentage of Attendance
Mr. Cheok	4/4	100%
Dr. Lim	4/4	100%
Mr. Mak	4/4	100%

During 2008, the Audit Committee discharged its duties by reviewing the financial matters, quarterly, half-year and annual financial reports and financial statements as well as audit matters of AcrossAsia Group, discussing with executive Director, management and the auditor of the Company, and making recommendations to the Board.

INTERNAL CONTROLS

The Audit Committee is responsible for the Company's system of internal control and for reviewing the effectiveness of the system. The Audit Committee enquires of the management and AcrossAsia Group's audit officers and the external auditor about significant risks or exposures facing AcrossAsia Group.

Based on identified risks, the Audit Committee assesses the effectiveness of the system of internal controls including activities and actions, supported by policies and procedures aimed to reduce these risks. The organization structure and delegations of authority and responsibility to individual employees are key aspects of the internal control system. Internal controls are the process designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

However, internal controls can provide only reasonable assurance regarding the achievement of these objectives. As the Company operates as a holding company, the monitoring of internal control system also extend to those of its subsidiaries. To monitor the effectiveness of the internal control system, the Audit Committee and audit officers review the adequacy of AcrossAsia Group's internal controls and understand how these controls will be tested during the year.

The audit officers prepare long term strategic audit plans, providing for the review of significant operations based on assessment of risks pertaining to the achievement of AcrossAsia Group's objectives with more weight given to areas with higher risks. The internal control system-based audit approach used by the audit officers includes documentation of systems, identification and evaluation of controls and the reporting of recommendations for internal controls improvements.

The Audit Committee reviews and reports on the monitoring and testing of AcrossAsia Group's internal controls to the Board and updates any required changes to internal controls.

The Board assesses the effectiveness of internal controls by considering reviews conducted by internal and external auditors as well as those by the Audit Committee and senior management.

The period of the review of the system of internal controls covers 2008 Financial Statements and the Board is of the view that save as noted below, there is no significant area of concern which may suggest material deficiencies in the effectiveness of AcrossAsia Group's internal control system.

The Board also reviews with the management and the external auditor the Company's annual report and resolves any serious difficulties or disputes encountered during the audit including the need to introduce additional internal controls.

As part of the internal reviews, the Company's management identified certain transactions entered into by certain indirect subsidiaries of the Company in October 2007 which were not announced to the shareholders at the relevant time. As a result, the Company has made the announcements dated 17th March 2008, 16th May 2008 and 24th July 2008 respectively, and despatched the circulars dated 6th June 2008, 31st July 2008 and 31st October 2008 respectively disclosing details of those transactions to the shareholders. As disclosed in the announcement of the Company dated 16th May 2008, the Company had appointed external professionals to assist its board of directors to review the effectiveness of AcrossAsia Group's systems with a view to strengthening the internal control and risk management system of the Company. The legal advisers to the Company had advised the Company to hold extensive training sessions for key management and employees of the subsidiaries of the Company in connection with the Company's obligations under the GEM Listing Rules as well as to adopt and implement a group internal notification policy and procedure manual for AcrossAsia Group. Accordingly, a training seminar was held in May 2008 in Jakarta, Indonesia presented by the legal advisers to the Company, for the key management and employees of the subsidiaries of the Company during which a new group internal notification policy and procedure manual as well as notification form had been circulated at, or prior to the said seminar.

PREPARATION OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the 2008 Financial Statements and the auditor of the Company also sets out its reporting responsibilities on the 2008 Financial Statements in its Independent Auditor's Report in the Annual Report.

COMMUNICATION WITH SHAREHOLDERS

The rights of shareholders and the procedure for demanding a poll on resolutions at general meetings are contained in the Company's Articles. Details of such rights to demand a poll has been included in the circular to shareholders in relation to the holding of the annual general meeting in 2008 and explained during the proceedings of the meeting. With effect from 1st January 2009, any vote of shareholders at a general meeting would be taken by poll. In addition, an announcement on the poll vote results will be made by the Company following the relevant general meeting.

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. The Chairman of the Board attended and chaired the annual general meeting in 2008.

Report of the Directors

The Directors are pleased to present their report together with the 2008 Financial Statements.

PRINCIPAL ACTIVITIES

AcrossAsia Group is engaged principally in the provision of retail services through department stores, Hypermart stores, foodmart stores, healthcare outlets and family entertainment centres as well as cable TV, broadband network, broadband Internet access and IT solutions & services.

An analysis of AcrossAsia Group's business segments is set out in Note 5 to the accompanying consolidated financial statements.

CUSTOMERS AND SUPPLIERS

For 2008, the five largest customers of AcrossAsia Group accounted for approximately 3.0% of AcrossAsia Group's total turnover (2007: 2.2%), while the five largest suppliers of AcrossAsia Group accounted for approximately 7.8% (2007: 7.5%) of AcrossAsia Group's total purchases. The largest customer of AcrossAsia Group accounted for 1.1% (2007: 0.8%) of AcrossAsia Group's total turnover while the largest supplier accounted for 3.4% (2007: 2.9%) of AcrossAsia Group's total purchases.

None of the Directors, their associates (as defined under the GEM Listing Rules) or any shareholders (which, to the knowledge of the Directors, owned 5% or more of the Company's share capital) had a beneficial interest in the five largest customers and suppliers of AcrossAsia Group.

RESULTS AND APPROPRIATIONS

Details of AcrossAsia Group's results for 2008 are set out in the consolidated income statements on page 24 of the Annual Report.

The Directors do not recommend the payment of a dividend in respect of 2008 (2007: Nil).

PENSION COSTS

Particulars of pension costs for 2008 are set out in Note 12 to the accompanying consolidated financial statements.

SHARE CAPITAL

Details of share capital are set out in Note 30 to the accompanying consolidated financial statements.

RESERVES

Movements in reserves and accumulated losses of AcrossAsia Group during 2008 are set out in the consolidated statement of changes in equity on page 27 of the Annual Report.

POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events of AcrossAsia Group are set out in Note 49 to the accompanying consolidated financial statements.

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

During 2008, there was no purchase, sale or redemption of shares of the Company by the Company or any of its subsidiaries.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles and no statutory provisions for the pre-emptive rights under the laws of the Cayman Islands.

SUBSIDIARIES

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

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment during 2008 are set out in Note 15 to the accompanying consolidated financial statements.

INTEREST-BEARING BORROWINGS AND NOTES PAYABLE

Particulars of interest-bearing borrowings and notes payable as at 31st December 2008 are set out in Notes 34 and 35 respectively to the accompanying consolidated financial statements.

RELATED PARTY TRANSACTIONS

The related party transactions are set out in Note 47 to the accompanying consolidated financial statements.

CAPITAL COMMITMENTS

Particulars of capital commitments as at 31st December 2008 are set out in Note 43 to the accompanying consolidated financial statements.

DIRECTORS

The Directors who held office during 2008 and up to the date of this report were:

Executive Director
Mr. Marshall Wallace COOPER

Non-executive Directors
Dr. Cheng Wen CHENG (resigned on 29th October 2008)
Mr. Bunjamin Jonatan MAILOOL (resigned on 29th October 2008)

Independent non-executive Directors
Mr. Albert Saychuan CHEOK
Dr. Boh Soon LIM
Mr. Kwong Yiu MAK (appointed on 17th March 2008)

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

DIRECTORS' SERVICE CONTRACTS

Mr. Cooper entered into a service contract dated 2nd May 2008 with the Company for a term of two years from 2nd May 2008 which shall be continuing thereafter unless terminated by either party by not less than three calendar months' prior notice in writing or in accordance with other relevant terms of the service contract.

The term of office of Mr. Cheok was extended for two years from 22nd February 2008 pursuant to a letter dated 20th February 2008.

The term of office of Dr. Lim was extended for two years from 2nd May 2008 pursuant to a letter dated 28th April 2008.

Mr. Mak was appointed pursuant to a letter of appointment dated 17th March 2008 for a term of two years from 17th March 2008.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in Note 9 to the accompanying consolidated financial statements, no contracts of significance in relation to AcrossAsia Group's business to which the Company or any of its subsidiaries was a party and in which any of the Company's Directors or members of its management had a material interest, whether directly or indirectly, subsisted at the end of 2008 or at any time during 2008.

DISCLOSURE OF INTERESTS IN SECURITIES

Directors and Chief Executive

As at 31st December 2008, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares (in respect of positions held pursuant to equity derivatives) and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as notified to the Company and the Stock Exchange under Rule 5.46 of the GEM Listing Rules or as otherwise required by Rule 23.07 of the GEM Listing Rules were as follows:

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

Mr. Cheok was interested in 2,600,000 shares of the Company (representing approximately 0.05% of the issued share capital thereof).

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

Long Position in Underlying Shares of the Company and Associated Corporations

(i) *Physically settled equity derivatives*

Pursuant to the Pre-IPO Share Option Plan of the Company (the "Pre-IPO Plan"), the Director and the chief executive of the Company was 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:

	Number of underlying shares			
Name	**Granted**	**Lapsed**	**Outstanding as of 31st December 2008**	**Percentage of issued share capital**
Mr. Marshall Wallace Cooper	355,000	–	355,000 *(Note 1)*	0.01
Total	355,000	–	355,000	

Notes:

1. 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.

2. The exercise period for all such shares shall end 10 years from the Grant Date.

3. Dr. Cheng resigned as a non-executive Director of the Company with effect from 29th October 2008. As a result, his option to subscribe for 13,150,000 shares shall lapse on 28th April 2009.

(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 2008, 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 31st December 2008, 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

In addition to the Pre-IPO Plan, 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. Details of the share options were set out in Note 32 to the accompanying consolidated financial statements.

The Directors consider it inappropriate to value the options granted under the Pre-IPO Plan as the market price of the shares as at 31st December 2008 was below the subscription price in respect of all the options granted. Any valuation based on assumptions would not be meaningful.

Save as disclosed herein, no options to subscribe for shares of the Company have been granted, exercised, lapsed, cancelled or re-issued since the listing of the Company's shares on GEM and up to the date of this Report under the Pre-IPO Plan and the 2002 Scheme.

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 2008. There was a chance that such businesses might have competed with AcrossAsia Group during 2008.

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.

AUDITOR

The accompanying consolidated financial statements have been audited by RSM Nelson Wheeler. A resolution for the re-appointment of RSM Nelson Wheeler as the auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board of Directors
Albert Saychuan CHEOK
Chairman

Hong Kong, 23rd April 2009

Independent Auditor's Report

RSM! Nelson Wheeler
中瑞岳華(香港)會計師事務所
Certified Public Accountants

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

We have audited the consolidated financial statements of AcrossAsia Limited (the "Company") and its subsidiaries (the "Group") set out on pages 24 to 103, which comprise the consolidated and Company balance sheets as at 31st December 2008, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st December 2008 and of the Group's results and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

RSM Nelson Wheeler
Certified Public Accountants
Hong Kong

23rd April 2009

Consolidated Income Statement

for the year ended 31st December 2008

	Note	2008 HK$'000	2007 HK$'000
TURNOVER	6	**10,683,016**	9,194,939
Cost of sales and services rendered		**(7,844,606)**	(6,686,463)
Gross profit		**2,838,410**	2,508,476
Other income	7	**224,876**	637,280
Fair value (loss)/gain on derivative financial instruments		**(158,914)**	61,371
Net foreign exchange losses		**(253,747)**	(77,893)
Selling and distribution costs		**(872,585)**	(692,371)
General and administrative expenses		**(1,705,325)**	(1,474,874)
Other operating expenses		**–**	(57,420)
PROFIT FROM OPERATIONS		**72,715**	904,569
Finance costs	8	**(362,240)**	(419,121)
Share of (losses)/profits of associates	18	**(15,683)**	7,088
(LOSS)/PROFIT BEFORE TAX		**(305,208)**	492,536
Income tax credit/(expense)	11	**79,850**	(38,051)
(LOSS)/PROFIT FOR THE YEAR	12	**(225,358)**	454,485
(LOSS)/PROFIT ATTRIBUTABLE TO:			
Shareholders of the Company	13	**(119,656)**	63,337
Minority interests		**(105,702)**	391,148
		(225,358)	454,485
(LOSS)/EARNINGS PER SHARE	14		
Basic (HK cents)		**(2.36)**	1.25
Diluted (HK cents)		**N/A**	N/A

Balance Sheets

as at 31st December 2008

	Note	AcrossAsia Group 2008 HK$'000	AcrossAsia Group 2007 HK$'000	Company 2008 HK$'000	Company 2007 HK$'000
ASSETS					
Non-current assets					
Property, plant and equipment	15	**2,191,347**	2,172,397	**180**	221
Investment properties	16	**85,021**	101,441	**–**	–
Interests in subsidiaries	17	**–**	–	**639,445**	737,308
Interests in associates	18	**16,239**	22,193	**–**	–
Available-for-sale financial assets	19	**92,618**	187,963	**–**	–
Goodwill	20	**161,491**	189,667	**–**	–
Other intangible assets	21	**69,674**	74,269	**–**	–
Deferred tax assets	22	**135,608**	19,113	**–**	–
Non-current prepayments, deposits and receivables	23	**1,864,956**	1,620,366	**–**	–
Due from a related company	24	**–**	11,986	**–**	–
		4,616,954	4,399,395	**639,625**	737,529
Current assets					
Inventories	25	**729,233**	785,460	**–**	–
Trade receivables	26	**203,046**	220,296	**–**	–
Prepayments, deposits and other current assets	27	**543,395**	301,305	**2,257**	333
Financial assets at fair value through profit or loss	28	**1,049,703**	552,796	**3,009**	21,947
Pledged bank deposits	29	**98,813**	111,878	**–**	–
Bank and cash balances	29	**1,611,420**	2,638,136	**1,789**	1,010
		4,235,610	4,609,871	**7,055**	23,290
TOTAL ASSETS		**8,852,564**	9,009,266	**646,680**	760,819

Balance Sheets

as at 31st December 2008

		AcrossAsia Group		Company	
	Note	**2008 HK$'000**	2007 HK$'000	**2008 HK$'000**	2007 HK$'000
EQUITY AND LIABILITIES					
Equity attributable to shareholders of the Company					
Share capital	30	**506,462**	506,462	**506,462**	506,462
Reserves	31	**(87,237)**	125,109	**(79,748)**	35,595
		419,225	631,571	**426,714**	542,057
Minority interests		**1,904,252**	2,457,147	**–**	–
Total equity		**2,323,477**	3,088,718	**426,714**	542,057
Non-current liabilities					
Provisions	33	**116,335**	97,791	**–**	–
Interest-bearing borrowings	34	**2,272,332**	1,181,130	**202,800**	–
Notes payable	35	**74,907**	1,219,880	**–**	–
Bonds payable	36	**–**	370,028	**–**	–
Finance lease payables	37	**30,576**	1,273	**–**	–
Due to a related company	38	**–**	4,000	**–**	4,000
Derivative financial instruments	39	**24,674**	19,046	**–**	–
Non-current other payables		**85,519**	98,813	**–**	–
Deferred tax liabilities	22	**10,555**	10,831	**–**	–
		2,614,898	3,002,792	**202,800**	4,000
Current liabilities					
Provisions	33	**30,520**	48,990	**–**	–
Interest-bearing borrowings	34	**498,106**	1,152,635	**–**	202,800
Notes payable	35	**1,067,308**	2,349	**–**	–
Bonds payable	36	**312,580**	–	**–**	–
Finance lease payables	37	**24,000**	953	**–**	–
Due to related companies	38	**6,578**	5,816	**4,000**	–
Derivative financial instruments	39	**147,698**	–	**–**	–
Trade payables	40	**985,679**	944,984	**–**	–
Receipts in advance		**34,887**	25,642	**–**	–
Other payables and accruals		**805,975**	716,890	**13,166**	11,962
Current tax payable		**858**	19,497	**–**	–
		3,914,189	2,917,756	**17,166**	214,762
TOTAL EQUITY AND LIABILITIES		**8,852,564**	9,009,266	**646,680**	760,819
NET CURRENT ASSETS/(LIABILITIES)		**321,421**	1,692,115	**(10,111)**	(191,472)
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,938,375**	6,091,510	**629,514**	546,057

Albert Saychuan CHEOK
Director

Marshall Wallace COOPER
Director

Consolidated Statement of Changes in Equity

for the year ended 31st December 2008

	Attributable to shareholders of the Company										
	Issued capital HK$'000	Share premium account HK$'000	Capital reserve HK$'000	Equity transactions of associates HK$'000	Hedging reserve HK$'000	Investment revaluation reserve HK$'000	Translation reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Minority interests HK$'000	Total equity HK$'000
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
Changes in fair value of available-for-sale financial assets	–	–	–	–	–	(29,848)	–	–	(29,848)	(17,528)	(47,376)
Currency translation differences	–	–	–	–	–	–	(20,495)	–	(20,495)	(83,877)	(104,372)
Net expense recognised directly in equity	–	–	–	–	–	(29,848)	(20,495)	–	(50,343)	(101,405)	(151,748)
Profit for the year	–	–	–	–	–	–	–	63,337	63,337	391,148	454,485
Total recognised income and expense for the year	–	–	–	–	–	(29,848)	(20,495)	63,337	12,994	289,743	302,737
Capital injection by minority shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	561,100	561,100
Dividends paid to minority interests	–	–	–	–	–	–	–	–	–	(22,757)	(22,757)
At 31st December 2007 and 1st January 2008	506,462	32,877	1,464,802	7,659	–	(17,529)	(652,979)	(709,721)	631,571	2,457,147	3,088,718
Effective portion of changes in fair value of derivative financial instruments designated as cash flow hedge	–	–	–	–	(6,517)	–	–	–	(6,517)	(6,224)	(12,741)
Changes in fair value of available-for-sale financial assets	–	–	–	–	–	(2,781)	–	–	(2,781)	(50,825)	(53,606)
Currency translation differences	–	–	–	–	–	–	(83,392)	–	(83,392)	(369,467)	(452,859)
Net expense recognised directly in equity	–	–	–	–	(6,517)	(2,781)	(83,392)	–	(92,690)	(426,516)	(519,206)
Loss for the year	–	–	–	–	–	–	–	(119,656)	(119,656)	(105,702)	(225,358)
Total recognised income and expense for the year	–	–	–	–	(6,517)	(2,781)	(83,392)	(119,656)	(212,346)	(532,218)	(744,564)
Dividends paid to minority interests	–	–	–	–	–	–	–	–	–	(20,677)	(20,677)
At 31st December 2008	506,462	32,877	1,464,802	7,659	(6,517)	(20,310)	(736,371)	(829,377)	419,225	1,904,252	2,323,477

Consolidated Cash Flow Statement

for the year ended 31st December 2008

	2008 HK$'000	2007 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	**(305,208)**	492,536
Adjustments for:		
Finance costs	**362,240**	419,121
Share of losses/(profits) of associates	**15,683**	(7,088)
Interest income	**(108,284)**	(95,186)
Amortisation of bonds issuance cost	**3,075**	4,907
Amortisation of notes issuance cost	**19,908**	17,090
Depreciation	**390,461**	372,914
Amortisation of other intangible assets	**5,334**	3,949
Gain on disposal of subsidiaries	**–**	(363,569)
Unrealised loss/(gain) on revaluation of financial assets at fair value through profit or loss	**36,119**	(108,448)
Fair value loss/(gain) on derivative financial instruments	**158,914**	(61,371)
Impairment of available-for-sale financial assets	**–**	11,403
Impairment of goodwill	**–**	22,256
(Reversal of impairment)/impairment of interests in associates	**(14,195)**	20,713
Allowance for amounts due from associates	**9,579**	3,048
Bad debts expense/allowance for receivables	**1,100**	1,616
Impairment of non-current receivables	**4,616**	–
Loss on disposal of property, plant and equipment	**2,590**	2,018
Loss on disposal of other intangible assets	**–**	2,858
Increase in provisions	**24,941**	23,790
Operating profit before working capital changes	**606,873**	762,557
Decrease in amount due from a related company	**–**	15,303
Decrease/(increase) in inventories	**56,227**	(49,041)
Decrease in trade receivables	**16,150**	5,250
Increase in prepayments, deposits and other current assets	**(830,183)**	(770,038)
Decrease in amounts due to related companies	**(3,238)**	(544)
Increase in trade payables	**40,695**	312,878
Increase/(decrease) in receipts in advance	**9,245**	(3,907)
Increase in other payables and accruals	**75,791**	274,544
Cash (used in)/generated from operations	**(28,440)**	547,002
Income taxes paid	**(4,092)**	(92,661)
Net cash (used in)/generated from operating activities	**(32,532)**	454,341

Consolidated Cash Flow Statement

for the year ended 31st December 2008

	2008 HK$'000	2007 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	**(459,344)**	(408,075)
Purchases of investment properties	**(125)**	(63)
Purchases of other intangible assets	**(12,673)**	(16,111)
Purchases of available-for-sale financial assets	**(3,539)**	–
Purchases of financial assets at fair value through profit or loss	**(533,026)**	(145,352)
Proceeds from disposal of property, plant and equipment	**73,280**	29,043
Proceeds from disposal of investment properties	**–**	7,468
Proceeds from disposal of financial assets at fair value through profit or loss	**–**	132,119
Disposal of subsidiaries	**–**	655,358
Return of capital from an investee company	**–**	119,411
Decrease/(increase) in pledged bank deposits	**13,065**	(104,337)
Interest received	**108,284**	95,186
Net cash (used in)/generated from investing activities	**(814,078)**	364,647
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of interest-bearing borrowings and notes payable	**(339,435)**	(1,163,186)
New interest-bearing borrowings and notes payable	**959,068**	1,929,878
Repayment of bonds payable	**(4,954)**	(329,177)
Repayment of capital element of finance lease payables	**(13,114)**	(7,163)
Interest paid	**(390,528)**	(450,649)
Capital injection by minority shareholders of subsidiaries	**–**	561,100
Dividends paid to minority interests	**(20,677)**	(22,757)
Net cash generated from financing activities	**190,360**	518,046
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(656,250)**	1,337,034
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**2,638,136**	1,347,900
Effect of foreign exchange rate changes, net	**(370,466)**	(46,798)
CASH AND CASH EQUIVALENTS AT END OF YEAR	**1,611,420**	2,638,136
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	**1,611,420**	2,638,136

Notes to the Financial Statements

for the year ended 31st December 2008

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 P.O. Box 309GT, Ugland House, George Town, Grand Cayman, Cayman Islands. The address of its principal place of business is Room 4302, 43rd Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong.

The Company is an investment holding company. Its subsidiaries were engaged in the following principal activities:

- retail
- cable TV, broadband Internet and network services
- IT system integration and solution services

In the opinion of the Directors, as at 31st December 2008, 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. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, AcrossAsia Group has adopted all the new and revised International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board that are relevant to its operations and effective for its accounting year beginning on 1st January 2008. IFRSs comprise International Financial Reporting Standards; International Accounting Standards ("IAS"); and Interpretations. The adoption of these new and revised IFRSs did not result in substantial changes to AcrossAsia Group's accounting polices and amounts reported for the current year and prior years.

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

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with IFRSs and the applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments and derivative financial instruments which are carried at their fair values.

The preparation of financial statements in conformity with IFRSs requires the use of certain key assumptions and estimates. It also requires the Directors to exercise their judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements, are disclosed in Note 4 to the financial statements.

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

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31st December. Subsidiaries are entities over which AcrossAsia Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether AcrossAsia Group has control.

Subsidiaries are fully 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 represents the difference between the proceeds of the sale and AcrossAsia Group's share of its net assets together with any goodwill relating to the subsidiary which was not previously charged or recognised in the consolidated income statement and also any related accumulated translation reserve.

Inter-company transactions, balances and unrealised profits on transactions between group companies 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.

Minority interests represent the interests of minority shareholders in the operating results and net assets of subsidiaries. Minority interests are presented in the consolidated balance sheet and consolidated statement of changes in equity within equity. Minority interests are presented in the consolidated income statement as an allocation of profit or loss for the year between minority and shareholders of AcrossAsia. Losses applicable to the minority in excess of the minority's interests in the subsidiary's equity are allocated against the interests of AcrossAsia Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the interests of AcrossAsia Group until the minority's share of losses previously absorbed by AcrossAsia Group has been recovered.

In the Company's balance sheet the investments in subsidiaries are stated at cost less allowance for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Notes to the Financial Statements

for the year ended 31st December 2008

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Business combination and goodwill

The purchase method of accounting is used to account for the acquisition of subsidiaries by AcrossAsia Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets, liabilities and contingent liabilities of the subsidiary in an acquisition are measured at their fair values at the acquisition date.

The excess of the cost of acquisition over AcrossAsia Group's share of the net fair value of the subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill. Any excess of AcrossAsia Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised in the consolidated income statement.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses of goodwill are recognised in the consolidated income statement and are not subsequently reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

The interests of minority shareholders in the subsidiary is initially measured at the minority's proportion of the net fair value of the subsidiary's identifiable assets, liabilities and contingent liabilities at the acquisition date.

(c) Associates

Associates are entities over which AcrossAsia Group has significant influence. Significant influence is the power to participate in the financial and operating policies of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether AcrossAsia Group has significant influence.

Investment in an associate is accounted for in the consolidated financial statements by the equity method of accounting and is initially recognised at cost. Identifiable assets, liabilities and contingent liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over AcrossAsia Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is recorded as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of AcrossAsia Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised in the consolidated income statement.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Associates (Continued)

AcrossAsia Group's share of an associate's post-acquisition profits or losses is recognised in the consolidated income statement, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When AcrossAsia Group's share of losses in an associate equals or exceeds its interests in the associate, including any other unsecured receivables, AcrossAsia Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, AcrossAsia Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate represents the difference between the proceeds of the sale and AcrossAsia Group's share of its net assets together with any goodwill relating to the associate which was not previously charged or recognised in the consolidated income statement and also any related accumulated translation reserve.

Unrealised profits on transactions between AcrossAsia Group and its associates are eliminated to the extent of AcrossAsia Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by AcrossAsia Group.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of AcrossAsia Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

Notes to the Financial Statements

for the year ended 31st December 2008

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Foreign currency translation (Continued)

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the rates ruling on the balance sheet date. Profits and losses resulting form this translation policy are included in the income statement.

Translation differences on non-monetary items, such as equity instruments classified as financial assets at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equity instruments classified as available-for-sale financial assets, are included in the investment revaluation reserve in equity.

(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 balance sheet presented are translated at the closing rate at the date of that balance sheet;

– income and expenses for each income statement are translated at average exchange rates (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 the translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the translation reserve. When a foreign operation is sold, such exchange differences are reocogised in the consolidated income statement as part of the profit 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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 expensed in the income statement 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 or the double-declining balance basis. The principal annual rates are as follows:

Category	Method	Rates
Land use rights and buildings	Straight-line	5%
Building renovations and leasehold improvements	Straight-line	5% to 50%
Communication equipment	Straight-line	14% to 25%
Office furniture, fixtures and equipment		
– for retail segment	Double-declining balance	15% to 25%
– for other segments	Straight-line	20% to 33%
Cable television distribution network	Straight-line	7%
Equipment for rent	Straight-line	20% to 50%
Vehicles		
– for retail segment	Double-declining balance	50%
– for other segments	Straight-line	12.5% to 50%

The depreciation policy of construction in progress is set out in (g) and (h) below.

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each balance sheet date.

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 the income statement.

Notes to the Financial Statements

for the year ended 31st December 2008

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Investment properties

Investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. An investment property is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at cost less accumulated depreciation and impairment losses. The depreciation is calculated using the straight-line method to allocate the cost to the residual value over its estimated useful life of 20 years.

(g) Construction in progress

Construction in progress consists mainly of cable television distribution network under construction. Expenditures relating to the construction, including direct costs of constructions and interest and other ancillary financing costs incurred on funds borrowed to finance the construction, if any, during the period of construction are capitalised as part of the costs of construction in progress. Capitalisation of interest and other ancillary financing costs cease upon completion or at the end of the prematurity period of a cable television distribution network. The accumulated costs are reclassified to the appropriate category of property, plant and equipment when completed and ready for use or at the end of the prematurity period.

The depreciation policy for the construction in progress of a cable television distribution network is set out in (h) below.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Capitalisation, revenue and expense recognition during the prematurity period

The prematurity period is defined as the period in which the cable television distribution network is partially under construction and partially in service. Prematurity period begins when the first subscriber's revenue is earned and ends when the construction of the distribution network is completed, including a reasonable time to provide for installation of subscriber drops and related hardware. AcrossAsia Group determines the length of the prematurity period to be two to five years.

During the prematurity period:

– Costs of the network, including materials, direct labour and construction overheads, are fully capitalised. For projects already earning revenues, depreciation is computed monthly by dividing the project's total estimated capitalised cost at the end of the prematurity period by the estimated useful lives, with the quotient being multiplied by a certain percentage related to the number of subscribers. That certain percentage is calculated by dividing the actual or expected number of subscribers at the end of the month with the expected number of subscribers at the end of the prematurity period.

– Costs related to subscribers and general and administrative expenses are charged to the consolidated income statement.

– Costs of network services incurred based on the actual number of subscribers are charged to the consolidated income statement.

(i) Leases

(i) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the lease term.

(ii) Finance leases

Leases that substantially transfer to AcrossAsia Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the balance sheet as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets.

Notes to the Financial Statements

for the year ended 31st December 2008

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Intangible assets other than goodwill

Intangible assets other than goodwill are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives as follows:

Application software licenses	4 to 5 years
Exclusive marketing and distribution	1 to 2 years
Patents	1 to 2 years

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis, and in the case of merchandise inventories, determined on the conventional retail method. Cost comprises all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(l) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when AcrossAsia Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; AcrossAsia Group transfers substantially all the risks and rewards of ownership of the assets; or AcrossAsia Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in the income statement.

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 the income statement.

(m) Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment 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.

Investments are classified as either financial assets at fair value through profit or loss or available-for-sale financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Investments (Continued)

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either investments held for trading or designated as at fair value through profit or loss upon initial recognition. These investments are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in the income statement.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets not classified as trade and other 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 directly in equity, until the investments are disposed of or are determined to be impaired, at which time the cumulative gains or losses previously recognised in equity are recognised in the income statement.

Impairment losses recognised in the income statement for equity investments classified as available-for-sale financial assets are not subsequently reversed through the income statement. Impairment losses recognised in the income statement for debt instruments classified as available-for-sale financial assets are subsequently reversed and recognised in the income statement if an increase in the fair value of the instruments can be objectively related to an event occurring after the recognition of the impairment loss.

(n) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that AcrossAsia Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in the income statement.

Impairment losses are reversed in subsequent periods and recognised in the income statement when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Notes to the Financial Statements

for the year ended 31st December 2008

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Cash and cash equivalents

For the purpose of the cash flow statement, 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.

(p) 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.

(q) 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 balance sheet date.

(r) Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured initially at their fair values and are subsequently measured at the higher of:

– the amount of the obligations under the contracts, as determined in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and

– the amount initially recognised less cumulative amortisation recognised in the income statement on a straight-line basis over the terms of the guarantee contracts.

(s) Trade and other payables

Trade and other payables are stated 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Equity instruments

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

(u) Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the contract date and are subsequently measured at fair value.

AcrossAsia Group designates certain derivatives as hedges of a particular risk associated with a recognised liability or a highly probable forecast transaction (cash flow hedge).

Changes in the fair value of derivatives that are designated and effective as cash flow hedges are recognised directly in equity. Any ineffective portion is recognised immediately in the income statement.

If the cash flow hedge of forecasted transaction results in the recognition of a non-financial asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability.

For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the income statement in the same period in which the hedged item affects the income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or the hedge no longer qualifies for hedge accounting. At that time, for forecast transactions, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the income statement for the period.

Changes in the fair value of derivatives that do not qualify for hedge accounting are recognised in the income statement as they arise.

Notes to the Financial Statements

for the year ended 31st December 2008

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to AcrossAsia Group and the amount of revenue can be measured reliably, on the following basis:

(i) sale of merchandise, when the significant risks and rewards of ownership have been transferred to the buyer;

(ii) consignment sales, when consignment goods are sold to customers;

(iii) sale of power cards (prepaid cards), on the actual usage and expiry of the power cards;

(iv) sale of tokens, upon direct sale to the buyer;

(v) insertion fees, when the advertisement is placed in the channel;

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

(vii) converter and fixed line broadband rental income, on a time apportionment basis;

(viii) income from installation, when the installation services have been completed;

(ix) cable television membership joining fees, upon commencement of programme delivery;

(x) subscription fees for fast speed Internet access, upon rendering of the access to the Internet;

(xi) revenue from corporate and other access network, at the time the connection takes place;

(xii) fees for distribution and maintenance of hardware equipment and software packages, and service fees for technology solutions rendered, when the underlying services are rendered;

(xiii) fees from shares' administration services, when the underlying services are rendered;

(xiv) rental income, on a straight-line basis over the lease term of the ongoing lease;

(xv) interest income, on a time proportionment basis taking into account the principal outstanding and at the effective interest rate applicable; and

(xvi) dividend income, when the shareholders' right to receive payment has been established.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Employee benefits

AcrossAsia Group contributes to the Indonesian government's statutory issuance and retirement fund ("JAMSOSTEK") at the rate of 3.7% of each employee's basic salaries and the employee contributes another 2%. The JAMSOSTEK fund is intended to cover the entire insurance claim relating to accidents suffered by the employees at the work place and for the entire retirement benefits of the related employees covered by this social insurance program. The assets of JAMSOSTEK are held separately from those of AcrossAsia Group in an independently administered fund. AcrossAsia Group's employer contributions vest fully with the employees when contributed into JAMSOSTEK.

AcrossAsia Group is also required by the law of Indonesia to operate a defined benefit pension plan which is based on the years of service and salaries of the employees at the time of pension. These benefits are unfunded. The actuarial valuation method used to determine the present value of the defined benefit reserve, current service costs and past service costs is the projected-unit-credit method. Current service cost, interest cost and effect of curtailment and settlements are recognised as an expense immediately. Past service costs, which are already vested, are recognised as an expense on a straight-line basis over the current year's operation. Cumulative actuarial gains or losses in excess of 10% of the present value of the defined benefit obligation are amortised on a straight-line basis over the expected average remained years of service of the employees participating in the plan.

(x) Share-based payments

AcrossAsia Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on AcrossAsia Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Notes to the Financial Statements

for the year ended 31st December 2008

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) 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 the income statement in the period in which they are incurred.

(z) 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 as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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 balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, 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 each balance sheet date 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 balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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.

(aa) Related parties

A party is related to AcrossAsia Group if:

(i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, AcrossAsia Group; has an interest in AcrossAsia Group that gives it significant influence over AcrossAsia Group; or has joint control over AcrossAsia Group;

(ii) the party is an associate;

(iii) the party is a joint venture;

(iv) the party is a member of the key management personnel of the Company or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of AcrossAsia Group, or of any entity that is a related party of AcrossAsia Group.

Notes to the Financial Statements

for the year ended 31st December 2008

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ab) Segment reporting

A segment is a distinguishable component of AcrossAsia Group that is engaged either in providing products and services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with AcrossAsia Group's internal financial reporting, AcrossAsia Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

Segment revenue, expenses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to the segment. Unallocated costs mainly represent corporate expenses. Segment assets consist primarily of property, plant and equipment, goodwill, other intangible assets, inventories and trade receivables. Segment liabilities comprise operating liabilities and exclude items such as tax liabilities and corporate borrowings.

Segment revenue, expenses, results, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ac) Impairment of assets

At each balance sheet date, AcrossAsia Group reviews the carrying amounts of its tangible and intangible assets except goodwill, deferred tax assets, investments, inventories and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, AcrossAsia Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(ad) 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.

Notes to the Financial Statements

for the year ended 31st December 2008

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ae) Events after the balance sheet date

Events after the balance sheet date that provide additional information about AcrossAsia Group's position at the balance sheet date or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the balance sheet date that are not adjusting events are disclosed in the notes to the financial statements when material.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

(a) Land and buildings and investment properties

Under the relevant rules and regulations of Indonesia, AcrossAsia Group can apply for the renewal of its land use rights upon the expiry. Accordingly the entire lease of land and buildings is classified as a finance lease and included under property, plant and equipment or investment properties.

(b) Available-for-sale financial assets

AcrossAsia Group's investments in unlisted securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost less any impairment losses.

Key sources of estimation uncertainty

(a) Property, plant and equipment and depreciation

AcrossAsia Group determines the estimated useful lives and related depreciation charges for AcrossAsia Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will revise the depreciation charge where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(b) Impairment test of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires AcrossAsia Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. The carrying amount of goodwill at the balance sheet date was approximately HK$161,491,000 (2007: HK$189,667,000). Details of the value in use calculations are provided in Note 20 to the financial statements.

5. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

AcrossAsia Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of AcrossAsia Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

(a) the 'Retail' segment primarily engages in retail operations;

(b) the 'Broadband Services' segment primarily engages in the provision of broadband network services, broadband Internet services and cable television services;

(c) the 'IT Solutions' segment primarily engages in the provision of IT systems integration and solution services; and

(d) the 'Others' segment comprises, principally, AcrossAsia Group's corporate management, administration and service operations.

In determining AcrossAsia Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

AcrossAsia Group has no change in business segments during 2008.

Notes to the Financial Statements

for the year ended 31st December 2008

5. SEGMENT INFORMATION (Continued)

(a) Business segments

AcrossAsia Group	Retail HK$'000	Broadband Services HK$'000	IT Solutions HK$'000	Others HK$'000	Eliminations HK$'000	Consolidated HK$'000
Year ended 31st December 2008						
Revenue						
Sales to external customers	9,663,845	426,138	593,033	–	–	10,683,016
Intersegment sales	–	1,026	19,007	–	(20,033)	–
Total	9,663,845	427,164	612,040	–	(20,033)	10,683,016
Segment results	297,479	(1,615)	11,950	(9,515)	2,242	300,541
Other income						224,876
Fair value loss on derivative financial instruments						(158,914)
Unallocated expenses						(293,788)
Profit from operations						72,715
Finance costs						(362,240)
Share of losses of associates	(15,683)	–	–	–	–	(15,683)
Loss before tax						(305,208)
At 31st December 2008						
Segment assets	5,894,324	959,877	548,734	22,892	(113,943)	7,311,884
Interests in associates	16,239	–	–	–	–	16,239
Unallocated assets						1,524,441
Total assets						8,852,564
Segment liabilities	1,678,501	163,331	425,804	17,165	(219,307)	2,065,494
Unallocated liabilities						4,463,593
Total liabilities						6,529,087
Year ended 31st December 2008						
Other segment information:						
Depreciation of property, plant and equipment	267,085	76,108	45,745	47	–	388,985
Depreciation of investment properties	1,315	–	161	–	–	1,476
Amortisation of other intangible assets	5,165	–	169	–	–	5,334
Reversal of impairment of interests in associates	(14,195)	–	–	–	–	(14,195)
Allowance for amounts due from associates	–	9,579	–	–	–	9,579
Bad debt expense/allowance for receivables	–	1,100	–	–	–	1,100
Impairment of non-current receivables	–	–	4,616	–	–	4,616
Capital expenditure:						
Property, plant and equipment	451,485	364,588	35,767	5	–	851,845
Investment properties	125	–	–	–	–	125
Other intangible assets	12,673	–	–	–	–	12,673

5. SEGMENT INFORMATION (Continued)

(a) Business segments (Continued)

AcrossAsia Group	Retail HK$'000	Broadband Services HK$'000	IT Solutions HK$'000	Others HK$'000	Eliminations HK$'000	Consolidated HK$'000
Year ended 31st December 2007						
Revenue						
Sales to external customers	8,314,175	398,981	481,783	–	–	9,194,939
Intersegment sales	–	3,369	31,712	–	(35,081)	–
Total	8,314,175	402,350	513,495	–	(35,081)	9,194,939
Segment results	239,274	63,756	(23,247)	4,965	(937)	283,811
Other income						637,280
Fair value gain on derivative financial instruments						61,371
Unallocated expenses						(77,893)
Profit from operations						904,569
Finance costs						(419,121)
Share of profits of associates	7,088	–	–	–	–	7,088
Profit before tax						492,536
At 31st December 2007						
Segment assets	6,475,380	1,042,070	309,330	809,095	(957,417)	7,678,458
Interests in associates	22,193	–	–	–	–	22,193
Unallocated assets						1,308,615
Total assets						9,009,266
Segment liabilities	2,034,484	197,183	148,909	67,835	(454,617)	1,993,794
Unallocated liabilities						3,926,754
Total liabilities						5,920,548
Year ended 31st December 2007						
Other segment information:						
Depreciation of property, plant and equipment	262,342	53,240	55,509	92	–	371,183
Depreciation of investment properties	190	–	1,541	–	–	1,731
Amortisation of other intangible assets	3,128	–	821	–	–	3,949
Impairment of available-for-sale financial assets	–	–	2,722	8,681	–	11,403
Impairment of goodwill	–	–	–	22,256	–	22,256
Impairment of interests in associates	20,713	–	–	–	–	20,713
Allowance for amounts due from associates	3,048	–	–	–	–	3,048
Bad debt expense/allowance for receivables	–	1,055	–	561	–	1,616
Capital expenditure:						
Property, plant and equipment	502,477	261,072	36,053	185	–	799,787
Investment properties	63	–	–	–	–	63
Other intangible assets	16,111	–	–	–	–	16,111

(b) Geographical segments

Over 90% of AcrossAsia Group's revenue and assets are derived from customers and operations based in Indonesia and accordingly, no further analysis of AcrossAsia Group's geographical segments is disclosed.

Notes to the Financial Statements

for the year ended 31st December 2008

6. TURNOVER

	2008 HK$'000	2007 HK$'000
Turnover		
Retail		
– Store sales	**8,194,817**	7,026,002
– Consigned sales	**3,420,111**	2,925,079
– Family entertainment center operations	**253,142**	245,519
– Wholesales	**33,765**	24,840
Less: sales returns, allowances and discounts	**(2,237,990)**	(1,907,265)
	9,663,845	8,314,175
Broadband Services		
– Insertion fees	**28,752**	42,010
– Subscription fees for cable television programmes	**178,635**	183,288
– Converter and fixed line broadband rental income, installation income and cable television membership joining fees	**26,071**	89,828
– Subscription fees for high speed internet access	**153,557**	2,756
– Corporate and other access network service fees	**39,123**	81,099
	426,138	398,981
IT Solutions		
– Fees for distribution and maintenance of hardware equipment and software packages and service fees for technology solutions rendered	**591,157**	479,389
Others		
– Share administration fees*	**1,876**	2,394
	10,683,016	9,194,939

* The financial information of the share administration business is classified under the IT Solutions segment.

Notes to the Financial Statements

for the year ended 31st December 2008

7. OTHER INCOME

	2008 HK$'000	2007 HK$'000
Interest income	**108,284**	95,186
Rental income	**89,418**	59,062
Unrealised gain on revaluation of financial assets at fair value through profit or loss	**–**	108,448
Gain on disposal of subsidiaries	**–**	363,569
Others	**27,174**	11,015
	224,876	637,280

8. FINANCE COSTS

	2008 HK$'000	2007 HK$'000
Interest on:		
Bank loans and overdrafts	**168,853**	172,878
Notes payable wholly repayable within five years	**139,615**	143,838
Bonds payable wholly repayable within five years	**50,217**	112,786
Other borrowings wholly repayable within five years	**34,741**	23,560
Finance lease charges	**2,347**	307
Total borrowing costs	**395,773**	453,369
Amount capitalised	**(33,533)**	(34,248)
	362,240	419,121

Notes to the Financial Statements

for the year ended 31st December 2008

9. DIRECTORS' REMUNERATION

The remuneration paid and payable to each Director is as follows:

	Fees		Salaries, allowances and benefits in kind		Performance related bonuses		Total	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Executive Director								
Mr. Marshall Wallace COOPER	**10**	10	**1,630**	2,581	**–**	–	**1,640**	2,591
Non-executive Directors								
Dr. Cheng Wen CHENG (1)	**66**	80	**–**	–	**–**	–	**66**	80
Mr. Bunjamin Jonatan MAILOOL (1)	**66**	80	**901**	967	**1,091**	1,298	**2,058**	2,345
Independent non-executive Directors								
Mr. Albert Saychuan CHEOK	**80**	80	**–**	–	**–**	–	**80**	80
Dr. Boh Soon LIM	**80**	80	**–**	–	**–**	–	**80**	80
Mr. Kwong Yiu MAK (2)	**63**	N/A	**–**	N/A	**–**	N/A	**63**	N/A
Mr. Kwok Ming CHEUNG (3)	**N/A**	40	**N/A**	–	**N/A**	–	**N/A**	40
	365	370	**2,531**	3,548	**1,091**	1,298	**3,987**	5,216

Notes:

(1) Resigned on 29th October 2008

(2) Appointed on 17th March 2008

(3) Resigned on 1st July 2007

N/A Not a Director in the respective year

There was no arrangement under which a Director waived or agreed to waive any remuneration during 2008 (2007: Nil).

During 2008, no remuneration was paid by AcrossAsia Group to any of the Directors as an inducement to join or upon joining AcrossAsia Group or as compensation for loss of office (2007: Nil).

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals in AcrossAsia Group during the year ended 31st December 2007 included a Director whose emoluments are reflected in the analysis presented above. The emoluments of the remaining 4 individuals during the year ended 31st December 2007 and the emoluments of the five highest paid individuals in AcrossAsia Group during the year are set out below.

	2008	2007
	HK$'000	HK$'000
Salaries, allowances and benefits in kind	**19,592**	9,749
Performance related bonuses	**8,403**	2,919
	27,995	12,668

The remuneration falls within the following bands:

	Number of employees	
	2008	2007
HK$2,500,001 to HK$3,000,000	**1**	–
HK$3,000,001 to HK$3,500,000	**–**	4
HK$3,500,001 to HK$4,000,000	**1**	–
HK$5,000,001 to HK$5,500,000	**1**	–
HK$6,000,001 to HK$6,500,000	**1**	–
HK$9,500,001 to HK$10,000,000	**1**	–
	5	4

During 2008, no remuneration was paid by AcrossAsia Group to any of the highest paid employees as an inducement to join or upon joining AcrossAsia Group or as compensation for loss of office (2007: Nil).

Notes to the Financial Statements

for the year ended 31st December 2008

11. INCOME TAX (CREDIT)/EXPENSE

	2008	2007
	HK$'000	HK$'000
Current tax – Overseas	**30,836**	36,246
Deferred tax (Note 22)	**(110,686)**	1,805
Income tax (credit)/expense	**(79,850)**	38,051

No provision for Hong Kong Profits Tax is required since AcrossAsia Group's income is derived from overseas sources which is not liable to Hong Kong Profits Tax (2007: Nil).

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

The Company's subsidiaries incorporated and operating in Indonesia are subject to Indonesian income tax at a maximum rate of 30% (2007: 30%) of the individual entities' respective assessable profits in accordance with Indonesian income tax law.

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

	2008	2007
	%	%
Indonesian income tax rate	**(30)**	30
Deferred tax assets not recognised	**1**	7
Non-deductible items	**14**	7
Non-taxable items	**(12)**	(34)
Others	**1**	(2)
Effective tax rate	**(26)**	8

12. (LOSS)/PROFIT FOR THE YEAR

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

	2008 HK$'000	2007 HK$'000
Cost of inventories sold	**7,514,799**	6,384,911
Depreciation of property, plant and equipment	**388,985**	371,183
Depreciation of investment properties	**1,476**	1,731
Amortisation of other intangible assets *	**5,334**	3,949
Staff costs, including Directors' remuneration:		
Salaries, allowances and benefits in kind	**737,222**	699,726
Retirement benefit scheme contributions (defined contribution schemes)	**113**	129
Provision for employees' benefits	**44,260**	46,647
	781,595	746,502
Impairment of available-for-sale financial assets **	**–**	11,403
Impairment of goodwill **	**–**	22,256
(Reversal of impairment)/impairment of interests in associates **	**(14,195)**	20,713
Allowance for amounts due from associates **	**9,579**	3,048
Impairment of other non-current receivables **	**4,616**	–
Unrealised loss/(gain) on revaluation of financial assets at fair value through profit or loss	**36,119**	(108,448)
Loss on disposal of intangible assets	**–**	2,858
Loss on disposal of property, plant and equipment	**2,590**	2,018
Minimum lease payments under operating leases in respect of land and buildings	**587,383**	397,917
Bad debts expense/allowance for receivables	**1,100**	1,616
Provision for customer loyalty program	**18,750**	16,093
Auditors' remuneration	**3,421**	3,044

* Included in "General and administrative expenses" on the face of the consolidated income statement.

** Included in "Other operating expenses" on the face of the consolidated income statement.

Notes to the Financial Statements

for the year ended 31st December 2008

13. (LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The (loss)/profit for the year attributable to shareholders of the Company included a loss of approximately HK$115,343,000 (2007: profit of HK$1,620,000) which has been dealt with in the financial statements of the Company.

14. (LOSS)/EARNINGS PER SHARE

The calculation of basic loss (2007: earnings) per share attributable to shareholders of the Company is based on the loss for the year attributable to shareholders of the Company of approximately HK$119,656,000 (2007: profit of HK$63,337,000) and 5,064,615,385 (2007: 5,064,615,385) ordinary shares in issue during the year.

No diluted (loss)/earnings per share are presented as the Company did not have any dilutive potential ordinary share during the two years ended 31st December 2008.

15. PROPERTY, PLANT AND EQUIPMENT

AcrossAsia Group

	Land use rights and buildings HK$'000	Building renovations and leasehold improvements HK$'000	Office furniture, fixtures and equipment HK$'000	Cable television distribution network HK$'000	Construction in progress HK$'000	Equipment for rent HK$'000	Vehicles HK$'000	Total HK$'000
Cost								
At 1st January 2007	1,167,091	211,975	1,586,156	646,901	32,465	201,604	36,880	3,883,072
Additions	249,623	42,536	240,011	186,397	43,799	33,096	4,325	799,787
Disposals	(9,197)	(13,830)	(37,333)	(14,252)	–	(4,618)	(1,506)	(80,736)
Disposal of subsidiaries	(534,832)	–	(55,213)	–	–	–	–	(590,045)
Transfers	–	–	806	–	(20,780)	19,974	–	–
Translation differences	(34,219)	(8,342)	(62,259)	(27,128)	(1,560)	(5,065)	(1,427)	(140,000)
At 31st December 2007 and 1st January 2008	838,466	232,339	1,672,168	791,918	53,924	244,991	38,272	3,872,078
Additions	3,926	126,196	349,613	107,333	140,935	119,172	4,670	851,845
Disposals	(1,787)	(20,762)	(67,893)	(21,837)	–	(41,957)	(1,213)	(155,449)
Transfers	–	–	–	157,797	(168,180)	17,218	(6,835)	–
Translation differences	(122,426)	(47,536)	(281,883)	(147,515)	(4,863)	(44,183)	(11,678)	(660,084)
At 31st December 2008	718,179	290,237	1,672,005	887,696	21,816	295,241	23,216	3,908,390

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

AcrossAsia Group (Continued)

	Land use rights and buildings HK$'000	Building renovations and leasehold improve-ments HK$'000	Office furniture, fixtures and equipment HK$'000	Cable television distribution network HK$'000	Construction in progress HK$'000	Equipment for rent HK$'000	Vehicles HK$'000	Total HK$'000
Accumulated depreciation and impairment losses								
At 1st January 2007	217,043	88,630	892,409	198,444	12,026	127,708	16,170	1,552,430
Charge for the year	53,674	30,260	193,282	38,333	–	52,292	3,342	371,183
Disposals	(3,266)	(12,665)	(27,129)	(633)	–	(4,617)	(1,365)	(49,675)
Disposal of subsidiaries	(89,023)	–	(25,608)	–	–	–	–	(114,631)
Translation differences	(6,782)	(3,798)	(37,542)	(6,254)	(426)	(4,209)	(615)	(59,626)
At 31st December 2007 and 1st January 2008	171,646	102,427	995,412	229,890	11,600	171,174	17,532	1,699,681
Charge for the year	33,790	50,449	198,503	46,832	–	55,662	3,749	388,985
Disposals	(8)	(18,384)	(43,199)	(524)	–	(16,286)	(1,178)	(79,579)
Transfers	–	–	–	11,600	(11,600)	1,785	(1,785)	–
Translation differences	(30,775)	(19,343)	(164,667)	(41,788)	–	(34,444)	(1,027)	(292,044)
At 31st December 2008	174,653	115,149	986,049	246,010	–	177,891	17,291	1,717,043
Carrying amount								
At 31st December 2008	543,526	175,088	685,956	641,686	21,816	117,350	5,925	2,191,347
At 31st December 2007	666,820	129,912	676,756	562,028	42,324	73,817	20,740	2,172,397

At 31st December 2008, the carrying amount of property, plant and equipment held by AcrossAsia Group under finance leases amounted to approximately HK$54,125,000 (2007: HK$2,227,000).

Notes to the Financial Statements

for the year ended 31st December 2008

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

AcrossAsia Group (Continued)

AcrossAsia Group's land use rights and buildings located in Indonesia at their carrying amounts are analysed as follows:

	2008 HK$'000	2007 HK$'000
Medium term leases	**440,258**	537,115
Short term leases	**100,996**	127,659
Freehold	**2,272**	2,046
	543,526	666,820

Under the relevant rules and regulations in Indonesia, AcrossAsia Group can apply for the renewal of its land use rights upon their expiry.

At 31st December 2008, certain property, plant and equipment with an aggregate carrying value of approximately HK$16,010,000 (2007: HK$62,028,000) were pledged as security for certain banking and other borrowing facilities of AcrossAsia Group (Note 44).

Company	**Office furniture, fixtures and equipment** HK$'000
Cost	
At 1st January 2007	1,195
Additions	8
At 31st December 2007 and 1st January 2008	1,203
Additions	6
At 31st December 2008	1,209
Accumulated depreciation	
At 1st January 2007	931
Charge for the year	51
At 31st December 2007 and 1st January 2008	982
Charge for the year	47
At 31st December 2008	1,029
Carrying amount	
At 31st December 2008	180
At 31st December 2007	221

16. INVESTMENT PROPERTIES

AcrossAsia Group

	HK$'000
Cost	
At 1st January 2007	130,934
Additions	63
Disposals	(8,277)
Translation differences	(4,633)
At 31st December 2007 and 1st January 2008	118,087
Additions	125
Translation differences	(17,542)
At 31st December 2008	100,670
Accumulated depreciation	
At 1st January 2007	16,301
Charge for the year	1,731
Disposals	(809)
Translation differences	(577)
At 31st December 2007 and 1st January 2008	16,646
Charge for the year	1,476
Translation differences	(2,473)
At 31st December 2008	15,649
Carrying amount	
At 31st December 2008	85,021
At 31st December 2007	101,441
Fair value	
At 31st December 2008	241,079
At 31st December 2007	259,435

Notes to the Financial Statements

for the year ended 31st December 2008

16. INVESTMENT PROPERTIES (Continued)

The fair values of the investment properties of AcrossAsia Group were determined individually at the balance sheet date by AcrossAsia Group, with reference to current prices on an active market from similar property, and if such current prices are not available, based on recent transaction prices or recent valuation of the investment properties by independent professionally qualified valuers or recent prices of less active market or comparable properties, after adjusting for any changes in economic conditions and other factors (such as differences in nature, condition or location) considered appropriate by the Directors.

The fair values of the investment properties to the extent of approximately HK$241,079,000 (2007: HK$259,435,000) were determined based on recent valuations performed by independent professionally qualified valuers who hold recognised qualification and have recent experience in the location and category of the investment properties being valued.

AcrossAsia Group's investment properties located in Indonesia at their carrying amounts are analysed as follows:

	2008	2007
	HK$'000	HK$'000
Medium term leases	**84,081**	100,309
Freehold	**940**	1,132
	85,021	101,441

Under the relevant rules and regulations of Indonesia, AcrossAsia Group can apply for the renewal of its land use rights upon their expiry.

At 31st December 2008, certain investment properties with an aggregate carrying value of approximately HK$37,655,000 (2007: HK$44,224,000) were pledged as security for certain banking and other borrowing facilities of AcrossAsia Group (Note 44).

17. INTERESTS IN SUBSIDIARIES

	Company	
	2008	2007
	HK$'000	HK$'000
Listed shares, at cost	**924,789**	924,789
Unlisted shares, at cost	**9,869**	9,869
	934,658	934,658
Due from subsidiaries	**281,873**	299,736
	1,216,531	1,234,394
Less: Impairment losses	**(577,086)**	(497,086)
	639,445	737,308
Market value of listed shares	**426,952**	463,349

Notes to the Financial Statements

for the year ended 31st December 2008

17. INTERESTS IN SUBSIDIARIES (Continued)

The amounts due from subsidiaries 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 balance sheet date.

Particulars of the principal subsidiaries as at 31st December 2008 are as follows:

Name	Place of incorporation and operations	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
PT Multipolar Tbk ("Multipolar") (a)	Indonesia	Class A of Rp935,884,000,000 and Class B of Rp614,174,000,000	51.2	–	Investment holding, systems integration and application service provider
PT Sharestar Indonesia	Indonesia	Rp500,000,000	–	51.2	Share registration, payroll and customer relationship management services
PT Reksa Puspita Karya	Indonesia	Rp25,000,000	–	51.2	Investment holding
PT Tryane Saptajagat	Indonesia	Rp50,000,000	–	51.2	Investment holding
PT First Media Tbk ("First Media") (a)	Indonesia	Rp414,737,000,000	55.1	17.3	Operation of broadband network and cable television
PT Ayunda Prima Mitra	Indonesia	Rp35,000,000	–	72.4	Investment holding
PT AsiaNet Multimedia	Indonesia	US$1,333,333	95.0	2.6	Investment holding
PT Natrindo Global Telekomunikasi	Indonesia	Rp25,000,000,000	–	88.3	Operation of wireless VSAT network
PT Natrindo Kartu Panggil	Indonesia	Rp5,000,000	–	87.9	Provision of prepaid telephone calling cards
PT Inti Mitratama Abadi	Indonesia	Rp60,000,000,000	–	58.9	Investment holding
PT Link Net	Indonesia	Rp65,000,000,000	–	72.4	Internet service provider
PT Tirta Mandiri Sejahtera	Indonesia	Rp5,000,000	–	88.3	Investment holding
PT Matahari Putra Prima Tbk ("Matahari") (a)	Indonesia	Rp2,355,961,000,000	–	25.6	Operation of department stores and supermarket chains

17. INTERESTS IN SUBSIDIARIES (Continued)

Name	Place of incorporation and operations	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
PT Matahari Super Ekonomi	Indonesia	Rp2,500,000,000	–	25.6	Retail business
PT Nadya Putra Investama	Indonesia	Rp2,000,000,000	–	25.6	General trading
PT Taraprima Reksabuana	Indonesia	Rp24,000,000,000	–	25.6	Sales and marketing of mineral water
PT Matahari Boston Drugstore	Indonesia	Rp2,000,000,000	–	25.6	Drugstore
PT Matahari Graha Fantasi	Indonesia	Rp40,000,000,000	–	12.8	Family entertainment
Matahari Finance B.V.	Netherlands	€18,000	–	25.6	Financing business
Prime Connection Limited	British Virgin Islands	US$50,000	–	25.6	Investment holding
Tristar Capital Ltd	Malaysia	US$1	–	25.6	Investment holding
PT Prima Gerbang Persada	Indonesia	Rp500,000,000	–	25.6	Services, general trade and agribusiness
Cyberworks Group Limited	British Virgin Islands	US$1,000	–	100.0	Investment holding
PT Multifiling Mitra Indonesia	Indonesia	Rp1,004,000,000	–	25.7	Provision of record filing services
PT First Media News	Indonesia	Rp2,500,000,000	–	72.4	Investment holding
PT VisioNet Internasional	Indonesia	Rp30,000,000,000	–	51.2	IT outsourcing services and trading

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

Notes to the Financial Statements

for the year ended 31st December 2008

17. INTERESTS IN SUBSIDIARIES (Continued)

Notes:

(a) Multipolar and Matahari are listed on the Jakarta Stock Exchange and the Surabaya Stock Exchange in Indonesia. First Media is listed on the Surabaya Stock Exchange in Indonesia.

(b) None of the subsidiaries had any loan capital in issue at any time during 2008 (2007: Nil).

(c) At 31st December 2008, 38,000,000 shares (2007: 106,500,000 shares) in First Media with quoted market value of approximately HK$25,282,000 (2007: HK$74,622,000) were pledged as security for certain banking and other borrowing facilities of AcrossAsia Group (Note 44).

At 31st December 2008, 2,065,500,000 shares (2007: 1,865,500,000 shares) in Matahari with quoted market value of approximately HK$920,995,000 (2007: HK$1,069,988,000) were pledged as security for certain banking and other borrowing facilities of AcrossAsia Group (Note 44).

18. INTERESTS IN ASSOCIATES

	AcrossAsia Group	
	2008	2007
	HK$'000	HK$'000
Share of net assets	**22,757**	42,906
Less: Impairment losses	**(6,518)**	(20,713)
	16,239	22,193

Particulars of the principal associates as at 31st December 2008 are as follows:

Name	Place of incorporation and operations	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal activities
PT Bintang Sidoraya	Indonesia	Rp16,490,556,815	–	6.1	Sales and marketing of beer
PT Matahari Leisure	Indonesia	Rp1,908,225,000	–	12.8	Manufacture of amusement machines
Canwick Limited	British Virgin Islands	US$2	50.0	–	Investment holding
PT Direct Vision ("Direct Vision")	Indonesia	Rp5,000,000	–	35.5	Provision of direct-to-home multimedia services

The above list contains the particulars of associates which principally affected the results or formed a substantial portion of the net assets of AcrossAsia Group.

18. INTERESTS IN ASSOCIATES (Continued)

Summarised financial information in respect of AcrossAsia Group's associates is set out below:

	2008	2007
	HK$'000	HK$'000
AcrossAsia Group's share of associates' net assets		
At 31st December 2008		
Total assets	**27,240**	61,288
Total liabilities	**(4,483)**	(18,382)
Net assets	**22,757**	42,906
AcrossAsia Group's share of associates' revenue and (loss)/profit		
Year ended 31st December 2008		
Total revenue	**66,331**	75,602
Total (losses)/profits for the year	**(15,683)**	7,088

Notes to the Financial Statements

for the year ended 31st December 2008

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	AcrossAsia Group	
	2008	2007
	HK$'000	HK$'000
Unit trust, at fair value		
Listed outside Hong Kong	**84,104**	181,120
Equity securities, at fair value		
Listed outside Hong Kong	**3,058**	3,097
Unlisted equity securities, at cost	**75,885**	84,949
Less: Impairment losses	**(70,429)**	(81,203)
	5,456	3,746
	92,618	187,963

Available-for-sale financial assets are classified as non-current assets. The fair value of listed securities are based on current bid prices. Unlisted equity securities with carrying amount of approximately HK$5,456,000 (2007: HK$3,746,000) were carried at cost less impairment as they do not have a quoted market price in an active market and whose fair value cannot be reliably measured.

As at 31st December 2008, AcrossAsia Group invested approximately HK$9,654,000 (2007: HK$11,403,000) in a company incorporated in Indonesia and owned 22.06% (2007: 22.06%) equity interests in that company. AcrossAsia Group is unable to exercise significant influence over that company and the investment is classified as available-for-sale financial assets. In the absence of quoted market price in an active market, AcrossAsia Group estimated the fair value of this investment by considering information from a variety of sources, including the latest management financial information and the performance of the investee company. Due to the disposal of a major asset held by the investee company, full allowance for impairment was made against the available-for-sale financial assets in prior years.

20. GOODWILL

	AcrossAsia Group	
	2008	2007
	HK$'000	HK$'000
Cost		
At 1st January	**211,923**	219,701
Translation differences	**(31,482)**	(7,778)
At 31st December	**180,441**	211,923
Accumulated impairment losses		
At 1st January	**22,256**	–
Impairment loss recognised	**–**	22,256
Translation differences	**(3,306)**	–
At 31st December	**18,950**	22,256
Carrying amount		
At 31st December	**161,491**	189,667

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

	2008	2007
	HK$'000	HK$'000
Retail:		
Matahari	**137,813**	161,858
Broadband Services:		
First Media	**23,678**	27,809
	161,491	189,667

The recoverable amount of the Broadband Services is determined from fair value less costs to sell based on the market price of the listed shares of First Media operating the Broadband Services CGU.

The recoverable amount of the Retail CGU is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rate, growth rate and budgeted gross margin and turnover during the period. AcrossAsia Group estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rate is based on long-term average economic growth rate of the geographical area in which the businesses of the CGU operates. Budgeted gross margin and turnover are based on past practices and expectations on market development.

AcrossAsia Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next five years with the residual period using the growth rate of 16%. This rate does not exceed the average long-term growth rate for the relevant markets. The rate used to discount the forecast cash flows from AcrossAsia Group's Retail activities is 13%.

Notes to the Financial Statements

for the year ended 31st December 2008

21. OTHER INTANGIBLE ASSETS

AcrossAsia Group

	Application software licenses HK$'000	**Exclusive marketing and distribution rights** HK$'000	**Patents** HK$'000	**Total** HK$'000
Cost				
At 1st January 2007	79,758	1,307	1,445	82,510
Additions	15,580	–	531	16,111
Disposals	(2,306)	–	(1,947)	(4,253)
Translation differences	(3,134)	(46)	(18)	(3,198)
At 31st December 2007 and 1st January 2008	89,898	1,261	11	91,170
Additions	11,558	–	1,115	12,673
Translation differences	(14,774)	(187)	(148)	(15,109)
At 31st December 2008	86,682	1,074	978	88,734
Accumulated amortisation and impairment losses				
At 1st January 2007	12,970	1,307	1,445	15,722
Amortisation for the year	3,938	–	11	3,949
Disposals	–	–	(1,395)	(1,395)
Translation differences	(1,279)	(46)	(50)	(1,375)
At 31st December 2007 and 1st January 2008	15,629	1,261	11	16,901
Amortisation for the year	4,221	–	1,113	5,334
Translation differences	(2,840)	(187)	(148)	(3,175)
At 31st December 2008	17,010	1,074	976	19,060
Carrying amount				
At 31st December 2008	69,672	–	2	69,674
At 31st December 2007	74,269	–	–	74,269

Application software licenses are used for AcrossAsia Group's retail segment. The average remaining amortisation period of the application software licenses is 3 to 4 years (2007: 4 to 5 years).

22. DEFERRED INCOME TAX

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

	Accelerated tax depreciation HK$'000	Allowance for receivables HK$'000	Tax losses HK$'000	Allowance for store restructuring HK$'000	Unrealised loss on change in fair value of derivative financial instruments and net foreign exchange losses HK$'000	Others HK$'000	Total HK$'000
At 1st January 2007	(54,849)	33,818	13,475	8,863	11,470	(2,346)	10,431
(Charge)/credit to income statement for the year (Note 11)	(10,237)	(4,083)	11,013	(3,192)	10,825	(6,131)	(1,805)
Translation differences	2,182	(1,102)	(735)	(239)	(659)	209	(344)
At 31st December 2007 and 1st January 2008	(62,904)	28,633	23,753	5,432	21,636	(8,268)	8,282
Credit/(charge) to income statement for the year (Note 11)	1,620	208	34,964	(250)	97,865	(23,721)	110,686
Credit to equity	–	–	–	–	–	20,907	20,907
Translation differences	9,145	(4,279)	(7,822)	(776)	(15,231)	4,141	(14,822)
At 31st December 2008	(52,139)	24,562	50,895	4,406	104,270	(6,941)	125,053

The following is the analysis of the deferred tax balances (after offset) for balance sheet purposes:

	AcrossAsia Group	
	2008 HK$'000	2007 HK$'000
Deferred tax assets	**135,608**	19,113
Deferred tax liabilities	**(10,555)**	(10,831)
	125,053	8,282

Deferred tax assets that are expected to realise in the next accounting year amounted to approximately HK$44,309,000 (2008: HK$Nil).

Notes to the Financial Statements

for the year ended 31st December 2008

23. NON-CURRENT PREPAYMENTS, DEPOSITS AND RECEIVABLES

	AcrossAsia Group	
	2008	2007
	HK$'000	HK$'000
Rental and other deposits	**92,048**	11,207
Prepaid rent	**551,313**	310,672
Advance payments for acquisition of property, plant and equipment (a)	**207,474**	259,465
Deposits for investments	**20,138**	29,073
Loans to employees (b)	**346**	12,805
Prepaid expenses and others	**993,637**	997,144
	1,864,956	1,620,366

Notes:

(a) The amount represented advances for purchases of store spaces and equipment to be used for AcrossAsia Group's retail operations.

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

24. DUE FROM A RELATED COMPANY

AcrossAsia Group

	AcrossAsia Group	
	2008	2007
	HK$'000	HK$'000
Direct Vision	**9,579**	11,986
Less: Impairment losses	**(9,579)**	–
	–	11,986

Direct Vision is an associate of AcrossAsia Group.

The amount due from a related company is unsecured and has no fixed terms of repayment but repayment is not excepted to be within the next twelve months from the balance sheet date.

25. INVENTORIES

	AcrossAsia Group	
	2008	2007
	HK$'000	HK$'000
Merchandise	**695,743**	753,431
Finished goods	**33,490**	32,029
	729,233	785,460

Merchandise represent inventory items for retailing. These consist of ladies', men's and children's wear, shoes, bags, cosmetics and accessories, toys, stationery and sports gadgets, household appliances and bathroom accessories, daily needs, foods and beverages.

At 31st December 2008, inventories with an aggregate carrying value of approximately HK$32,911,000 (2007: HK$31,172,000) were pledged as security for certain banking and other borrowing facilities of AcrossAsia Group (Note 44).

AcrossAsia Group carries insurance on their merchandise inventory from fire and other risks for approximately HK$729,218,000 (2007: HK$785,441,000) at 31st December 2008.

26. TRADE RECEIVABLES

AcrossAsia Group's trading terms with its customers other than in the Retail segment are mainly on credit. AcrossAsia Group allows an average general credit period ranging from 30 to 90 days to its customers, except for certain well-established customers, where the terms are extended beyond 90 days.

AcrossAsia Group's sales to customers in the Retail segment are mainly on cash basis, either in cash, debit card or credit card payments. There is no fixed credit policy as their major trade receivables arise from credit card sales and all age fall into one month.

AcrossAsia Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

Notes to the Financial Statements

for the year ended 31st December 2008

26. TRADE RECEIVABLES (Continued)

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

	AcrossAsia Group	
	2008	2007
	HK$'000	HK$'000
Within 3 months	**171,940**	189,602
3 to 6 months	**8,480**	22,847
Over 6 months	**22,626**	7,847
	203,046	220,296

As of 31st December 2008, trade receivables of approximately HK$188,186,000 (2007: HK$207,873,000) were past due but not impaired. These related to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	AcrossAsia Group	
	2008	2007
	HK$'000	HK$'000
Within 3 months	**166,642**	179,560
3 to 6 months	**8,029**	22,583
Over 6 months	**13,515**	5,730
	188,186	207,873

At 31st December 2008, trade receivables of AcrossAsia Group included receivables from certain related companies, which are directly or indirectly owned, controlled or influenced by the principal beneficial shareholder of the Company, totalling approximately HK$18,156,000 (2007: HK$13,862,000). These balances are unsecured, interest-free and are repayable principally in accordance with normal trading terms.

At 31st December 2008, trade receivables with an aggregate carrying value of approximately HK$85,417,000 (2007: HK$83,042,000) were pledged as security for certain banking and other borrowing facilities of AcrossAsia Group (Note 44).

27. PREPAYMENTS, DEPOSITS AND OTHER CURRENT ASSETS

	AcrossAsia Group		Company	
	2008	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000
Deposits	**31**	31	**31**	31
Prepaid operating expenses	**117,368**	58,529	**2,226**	302
Prepaid taxes	**45,673**	91,056	**–**	–
Advances/deposits to suppliers and contractors	**5,617**	40,748	**–**	–
Other receivables	**374,706**	110,941	**–**	–
	543,395	301,305	**2,257**	333

The advances/deposits to suppliers and contractors are unsecured, interest-free and have no fixed terms of repayment.

28. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	AcrossAsia Group		Company	
	2008	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000
Held for trading:				
Equity securities listed outside Hong Kong, at market value (a)	**223,089**	228,360	**–**	–
Debt securities listed outside Hong Kong, at market value (b)	**29,892**	32,278	**–**	–
Managed funds, at market value (c)	**784,217**	266,348	**–**	–
Mutual funds, at market value (d)	**12,505**	25,810	**–**	–
Listed warrants of subsidiaries, at fair value	**–**	–	**3,009**	21,947
	1,049,703	552,796	**3,009**	21,947

Notes to the Financial Statements

for the year ended 31st December 2008

28. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Notes:

(a) The fair values of listed securities are based on current bid prices. At 31st December 2008, equity securities with market value of approximately HK$220,258,000 (2007: HK$Nil) were pledged as security for certain banking and other borrowing facilities of AcrossAsia Group (Note 44).

(b) Investments in listed debt securities include bonds which bear interest at annual rates ranging from 6.62% to 16.15% (2007: 6.62% to 17.5%). The debt securities have maturity periods from 2009 to 2013.

(c) Investments in managed funds were intended to be used to purchase any investments such as bonds, promissory notes, commercial papers, receivables, other debentures and other securities.

(d) Investments in mutual funds were managed by certain licensed investment companies in Hong Kong and Indonesia.

29. BANK AND CASH BALANCES AND PLEDGED BANK DEPOSITS

Bank deposits earn interest at floating rates based on prevailing short term deposits rates. Short term bank deposits are made for varying periods, normally with an original maturity of less than one month, depending on the immediate cash requirements of AcrossAsia Group.

At 31st December 2008, the bank and cash balances (including pledged bank deposits) of AcrossAsia Group denominated in Indonesian Rupiah amounted to approximately HK$1,198,529,000 (2007: HK$2,432,128,000).

At 31st December 2008, certain bank deposits of AcrossAsia Group of approximately HK$98,813,000 (2007: HK$111,878,000) were pledged as security for certain banking facilities of AcrossAsia Group (Note 44).

30. SHARE CAPITAL

	2008 **HK$'000**	2007 HK$'000
Authorised:		
150,000,000,000 (2007: 150,000,000,000) ordinary shares of HK$0.1 each	**15,000,000**	15,000,000
Issued and fully paid:		
5,064,615,385 (2007: 5,064,615,385) ordinary shares of HK$0.1 each	**506,462**	506,462

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.

30. SHARE CAPITAL (Continued)

AcrossAsia Group review the 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.

The only externally imposed capital requirement is that for AcrossAsia Group to maintain its listing on the Stock Exchange it has to have a public float of at least 15% of the shares. AcrossAsia Group receives reports from the share registrars on substantial share interests showing the non-public float and it demonstrates continuing compliance with the 15% limit throughout the year.

31. RESERVES

(a) AcrossAsia Group

The amounts of AcrossAsia Group's reserves and the movements therein are presented in the consolidated statement of changes in equity.

(b) Company

	Share premium HK$'000	**Capital reserve** HK$'000	**Accumulated losses** HK$'000	**Total** HK$'000
At 1st January 2007	32,877	631,394	(630,296)	33,975
Profit for the year	–	–	1,620	1,620
At 31st December 2007 and 1st January 2008	32,877	631,394	(628,676)	35,595
Loss for the year	–	–	(115,343)	(115,343)
At 31st December 2008	32,877	631,394	(744,019)	(79,748)

Notes to the Financial Statements

for the year ended 31st December 2008

31. RESERVES (Continued)

(c) Nature and purpose of reserves

(i) Share premium account

Under the Companies Law (1998 Revision) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Capital reserve

The capital reserve of the Company was principally arising from the capitalisation of certain shareholders' loans. The capital reserve of AcrossAsia Group was principally arising from the capitalisation of certain shareholders' loans and the corporate reorganisation of AcrossAsia Group in preparation for the listing of the Company's shares on GEM in 2000 as also detailed in the prospectus of the Company dated 6th July 2000 (the "Prospectus").

(iii) Equity transactions of associates

The equity transactions of associates comprises AcrossAsia Group's share of associates' post-acquisition movements in reserves and is dealt with in accordance with the accounting policy in Note 3(c) to the financial statements.

(iv) 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 balance sheet date and is dealt with in accordance with the accounting policy in Note 3(m)(ii) to the financial statements.

(v) 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 3(d) to the financial statements.

(vi) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition of the hedged cash flows in accordance with the accounting policy adopted for cash flow hedges in Note 3(u) to the financial statements.

32. SHARE OPTION SCHEMES

The Company adopted the Pre-IPO Plan and the 2002 Scheme under which the participants (including the Directors) were or may be granted options to subscribe for shares of the Company subject to the terms and conditions stipulated in the respective plan and scheme.

(a) Pre-IPO Plan

The Pre-IPO Plan was adopted on 22nd June 2000. The purpose of the Pre-IPO Plan is to recognise the contribution of participants to the growth of AcrossAsia Group and/or to the listing of the Company's shares on GEM. The participants of the Pre-IPO Plan include full-time and part-term employees (including executive and non-executive Directors), consultants and advisers of AcrossAsia Group and its associates. The subscription price for the shares under the Pre-IPO Plan is equal to the offer price of HK$3.28 per share in connection with the listing of the Company's shares on GEM.

As at 31st December 2008, options granted on the Grant Date to 11 participants (other than the Directors of the Company) to subscribe for an aggregate of 11,584,000 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 22nd June 2010 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

A summary of the principal terms of the Pre-IPO Plan and details of the options granted under the Pre-IPO Plan are set out in the Prospectus.

Notes to the Financial Statements

for the year ended 31st December 2008

32. SHARE OPTION SCHEMES (Continued)

(a) Pre-IPO Plan (continued)

The following options were outstanding under the Pre-IPO Plan during 2008:

	Number of underlying shares		
Participant	As at 1st January 2008	Lapsed during 2008	As at 31st December 2008
Directors (including a resigned Director)	13,505,000	–	13,505,000
Others	12,766,000	(1,182,000)	11,584,000
Total	26,271,000	(1,182,000)	25,089,000

Options granted under the Pre-IPO in respect of 25,089,000 shares of the Company represented approximately 0.50% of the enlarged issued share capital thereof. The options outstanding at the end of the year have a remaining contractual life of 1.5 years (2007: 2.5 years).

No options under the Pre-IPO Plan were exercised or cancelled during 2008.

The subscription price for the shares under the Pre-IPO Plan is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

(b) 2002 Scheme

The purpose of the 2002 Scheme is to reward the participants who have contributed or may contribute to AcrossAsia Group. The participants of the 2002 Scheme are employees of AcrossAsia Group (including Directors) and other persons including consultants, advisors, agents, customers, suppliers, service providers, affiliated persons, contractors, business partners or connected persons of AcrossAsia Group or its associates or affiliates. A consideration of HK$1 is payable upon acceptance of the offer of the grant of an option. The 2002 Scheme will remain valid until 13th May 2012.

The subscription price for the shares under the 2002 Scheme is determined by the Directors which will be no less than the highest of (i) the closing price of the shares as stated in the daily quotation sheet issued by the Stock Exchange on the date of offer of the relevant option; (ii) the average of the closing prices of the shares as stated in the daily quotation sheet issued by the Stock Exchange for the five business days immediately preceding the date of offer of the option; and (iii) the nominal value of a share.

A summary of the principal terms of the 2002 Scheme is set out in the Company's circular dated 28th March 2002.

32. SHARE OPTION SCHEMES (Continued)

(b) 2002 Scheme (continued)

No options had been granted under the 2002 Scheme since the adoption date and up to 31st December 2008.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Pre-IPO Plan and the 2002 Scheme must not exceed 30% of the total issued shares of the Company from time to time. The maximum number of shares issued and to be issued upon exercise of the options granted and to be granted to each participant or grantee (including both exercised and outstanding options) in any 12-month period up to and including the date of grant must not exceed 1% of the total issued shares of the Company at the date of grant.

33. PROVISIONS

AcrossAsia Group

	Customer loyalty program (a) HK$'000	**Employees' benefits (b)** HK$'000	**Total** HK$'000
At 1st January 2007	25,603	102,246	127,849
Addition provisions	16,093	46,647	62,740
Provisions used	(19,093)	(19,857)	(38,950)
Translation differences	(836)	(4,022)	(4,858)
At 31st December 2007	21,767	125,014	146,781
Analysed as:			
Current liabilities	10,883	38,107	48,990
Non-current liabilities	10,884	86,907	97,791
	21,767	125,014	146,781
At 1st January 2008	21,767	125,014	146,781
Addition provisions	18,750	44,260	63,010
Provisions used	(22,153)	(15,916)	(38,069)
Translation differences	(2,815)	(22,052)	(24,867)
At 31st December 2008	15,549	131,306	146,855
Analysed as:			
Current liabilities	7,774	22,746	30,520
Non-current liabilities	7,775	108,560	116,335
	15,549	131,306	146,855

Notes to the Financial Statements

for the year ended 31st December 2008

33. PROVISIONS (Continued)

AcrossAsia Group (Continued)

Notes:

(a) AcrossAsia Group operates a customer loyalty program for its retail operations under which AcrossAsia Group provides credit points to customers for their purchases in the department stores and supermarkets. The credit points can be converted into purchase vouchers for purchases in the department stores and supermarkets. The provision represents management's best estimation of AcrossAsia Group's liability on the customer loyalty program based on past experience and current information available for the credit points provided to the customers.

(b) Provision for employees' benefits was recognised in accordance with the requirements of the Labor Law in Indonesia for employment termination, gratuity and compensation benefits of employees. The provision was determined based on actuarial calculations as at 31st December 2008 prepared by an independent actuary, adopting the projected-unit-credit method.

The amount recognised in the balance sheet is as follows:

	AcrossAsia Group	
	2008	2007
	HK$'000	HK$'000
Present value of funded obligations	**134,695**	132,688
Net unrecognised actuarial gains/(losses)	**348**	(2,919)
Unrecognised past service cost	**(3,737)**	(4,755)
	131,306	125,014

Expense recognised in the income statement is as follows:

	AcrossAsia Group	
	2008	2007
	HK$'000	HK$'000
Current service cost	**16,197**	14,953
Interest cost	**13,531**	14,109
Net actuarial losses recognised	**2,352**	2,840
Past service cost recognised	**12,180**	14,745
	44,260	46,647

33. PROVISIONS (Continued)

AcrossAsia Group (Continued)

Expense is included in "General and administrative expenses" on the face of the consolidated income statement.

The principal actuarial assumptions adopted as at 31st December 2008 (expressed as weighted average) are as follows:

	AcrossAsia Group	
	2008	2007
Discount rate at 31st December	**12%**	10.5%
Expected rate of return on plan assets	**N/A**	N/A
Future salary increases	**7.5% – 10.0%**	9.0%
Future pension increases	**N/A**	N/A

34. INTEREST-BEARING BORROWINGS

	AcrossAsia Group		Company	
	2008 HK$'000	2007 HK$'000	**2008 HK$'000**	2007 HK$'000
Bank loans:				
Secured	**808,082**	698,947	**–**	–
Unsecured	**1,874,815**	1,536,327	**202,800**	202,800
	2,682,897	2,235,274	**202,800**	202,800
Other borrowings:				
Unsecured	**87,541**	98,491	**–**	–
	2,770,438	2,333,765	**202,800**	202,800

Notes to the Financial Statements

for the year ended 31st December 2008

34. INTEREST-BEARING BORROWINGS (Continued)

Interest-bearing borrowings are repayable as follows:

	AcrossAsia Group		Company	
	2008	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000
Bank loans:				
Within one year	**410,565**	1,054,144	**–**	202,800
In the second year	**1,204,090**	375,379	**–**	–
In the third to fifth years, inclusive	**1,068,242**	805,751	**202,800**	–
	2,682,897	2,235,274	**202,800**	202,800
Other borrowings:				
Within one year	**87,541**	98,491	**–**	–
	2,770,438	2,333,765	**202,800**	202,800
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(498,106)**	(1,152,635)	**–**	(202,800)
Amount due for settlement after 12 months	**2,272,332**	1,181,130	**202,800**	–

34. INTEREST-BEARING BORROWINGS (Continued)

The carrying amounts of bank loans and other borrowings are denominated in the following currencies:

	AcrossAsia Group		Company	
	2008	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000
Bank loans:				
United States dollar	**1,393,247**	1,417,421	**202,800**	202,800
Indonesian Rupiah	**1,289,650**	817,853	**–**	–
	2,682,897	2,235,274	**202,800**	202,800
Other borrowings:				
United States dollar	**3,996**	85,749	**–**	–
Indonesian Rupiah	**83,545**	12,742	**–**	–
	87,541	98,491	**–**	–

The effective interest rates at the balance sheet date were as follows:

	AcrossAsia Group		Company	
	2008	2007	**2008**	2007
Bank loans:				
United States dollar	**5.4% – 9.5%**	6.49% – 8%	**5.45%**	6.49%
Indonesian Rupiah	**11% – 16.75%**	7.3% – 15%	**–**	–
Other borrowings:				
United States dollar	**5.5% – 6.25%**	4%	**–**	–
Indonesian Rupiah	**13.75% – 17%**	13.75% – 15.5%	**–**	–

Details of the assets pledged to secure AcrossAsia Group's banking and other borrowing facilities are set out in Note 44 to the financial statements.

Notes to the Financial Statements

for the year ended 31st December 2008

35. NOTES PAYABLE

	AcrossAsia Group	
	2008	2007
	HK$'000	HK$'000
Within one year	**1,067,308**	2,349
In the second year	**52,628**	1,219,880
In the third to fifth years, inclusive	**22,279**	–
	1,142,215	1,222,229
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(1,067,308)**	(2,349)
Amount due for settlement after 12 months	**74,907**	1,219,880

Notes payable of AcrossAsia Group are unsecured. The carrying amounts of AcrossAsia Group's notes payable are denominated in the following currencies:

	AcrossAsia Group	
	2008	2007
	HK$'000	HK$'000
United States dollar	**966,222**	1,160,418
Indonesian Rupiah	**175,993**	61,811
	1,142,215	1,222,229

The effective interest rates at the balance sheet date were as follows:

	AcrossAsia Group	
	2008	2007
United States dollar	**4% – 9.5%**	4% – 9.5%
Indonesian Rupiah	**11.4% – 18%**	11.4%

36. BONDS PAYABLE

	AcrossAsia Group	
	2008	2007
	HK$'000	HK$'000
Nominal value	**313,542**	374,065
Unrealised bonds issuance cost	**(962)**	(4,037)
	312,580	370,028
Bonds payable are repayable as follows:		
Within one year	**312,580**	–
In the second year	**–**	370,028
	312,580	370,028

Details of the bonds payable as at 31st December 2008 are as follows:

Name of issuer	:	PT Matahari Putra Prima Tbk
Issuance date	:	11th May 2004
Nature of the bond	:	"Second Matahari Bonds" ("Obligasi II Matahari Putra Prima Tahun 2004 Dengan Tingkat Bunga Tetap") and "First Matahari Syariah Ijarah Bonds" ("Obligasi Syariah Ijarah I Matahari Putra Prima Tahun 2004")
Trustee	:	PT Bank Mega Tbk
Face value	:	Rp450 billion in Rp50 million denomination
Maturity date	:	Lump sum on 11th May 2009
Rating for the year by Pefindo	:	idA+ (Stable Outlook) for "Second Matahari Bonds", and idA+ (sy) (Stable Outlook) for "First Matahari Syariah Ijarah Bonds"
Bond listing	:	Surabaya Stock Exchange, Indonesia
Effective interest rate	:	13.8% per annum for 5 years quarterly payable starting 11th August 2004 until 11th May 2009
Payment agent	:	PT Kustodian Sentral Efek Indonesia
Collateral	:	Certain land rights, buildings and equipment with fair values representing 115% of the total face amount of the bonds.

Based on the Bonds Indentures, Matahari is required to comply with certain conditions, such as maintaining several financial ratios.

Notes to the Financial Statements

for the year ended 31st December 2008

37. FINANCE LEASE PAYABLES

AcrossAsia Group

	Minimum lease payments		Present value of minimum lease payments	
	2008 HK$'000	2007 HK$'000	**2008 HK$'000**	2007 HK$'000
Within one year	**30,433**	982	**24,000**	953
In the second to fifth years, inclusive	**33,037**	1,581	**30,576**	1,273
	63,470	2,563	**54,576**	2,226
Less: Future finance charges	**(8,894)**	(337)		
Present value of lease obligations	**54,576**	2,226		
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(24,000)**	(953)		
Amount due for settlement after 12 months	**30,576**	1,273		

The lease terms are ranging from 1 to 5 years (2007: 1 to 3 years). At 31st December 2008, the effective borrowing rates are ranging from 11.5% – 23.0% (2007: 13.75% – 15.25%). Interest rates are fixed at the contract dates and thus expose AcrossAsia Group to fair value interest rate risk.

Finance lease payables are denominated in the following currencies:

	AcrossAsia Group	
	2008 HK$'000	2007 HK$'000
Indonesian Rupiah	**936**	2,226
United States dollar	**53,640**	–
	54,576	2,226

38. DUE TO RELATED COMPANIES

The amounts due to related companies of AcrossAsia Group are unsecured, interest-free and have no fixed terms of repayment except for an amount of approximately HK$4,000,000 (2007: HK$4,000,000) which bears interest at Hong Kong dollar prime lending rate plus 1% per annum and is repayable (2007: not repayable) within twelve months from the balance sheet date.

The amount due to a related company of the Company is unsecured, bears interest at Hong Kong dollar prime leading rate plus 1% per annum and is repayable (2007: not repayable) within twelve months from the balance sheet date.

39. DERIVATIVE FINANCIAL INSTRUMENTS

	AcrossAsia Group	
	2008 HK$'000	2007 HK$'000
Cross currency rate swap, at fair value (a)	**(350,509)**	(66,117)
Foreign exchange option contracts, at fair value (b)	**168,417**	77,527
Interest rate swap, at fair value (c)	**(12,741)**	–
Non-deliverable foreign exchange forward contract, at fair value (d)	**48,754**	–
Cash-settled call options granted, at fair value (e)	**(26,293)**	(30,456)
	(172,372)	(19,046)
Analysed as:		
Current	**(147,698)**	–
Non-current	**(24,674)**	(19,046)
	(172,372)	(19,046)

The fair values of derivative financial instruments at the date of inception and at each balance sheet date are estimated using an option pricing model and the change in fair value is recognised in the income statement.

Notes:

(a) AcrossAsia Group entered into the following cross currency rate swap contracts which will be terminated on 6th October 2009:

(i) AcrossAsia Group entered into a cross currency rate swap from United States dollar to Japanese yen amounting to US$75,000,000. The contract period will end on 6th October 2009. AcrossAsia Group will receive interest of 9.5% per annum in United States dollar and pay interest of 5.38% per annum in Japanese yen semiannually.

(ii) AcrossAsia Group entered into a cross currency rate swap from United States dollar to Japanese yen amounting to US$75,000,000. The contract period will end on 6th October 2009. AcrossAsia Group will receive interest of 9.5% per annum in United States dollar and pay interest of 5.37% per annum in Japanese yen semiannually.

Notes to the Financial Statements

for the year ended 31st December 2008

39. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Notes: (Continued)

(b) AcrossAsia Group entered into the following foreign currency option contracts which will be terminated on various dates upto 18th June 2010:

(i) AcrossAsia Group has the right to buy JPY5,915,000,000 at the strike price of Rp77.5 per JPY1 from the counterparty; or the counterparty has the right to buy JPY5,915,000,000 at the strike price of Rp98 per JPY1 from AcrossAsia Group; or the counterparty has the right to sell JPY5,915,000,000 at the strike price of Rp76 per JPY1 to AcrossAsia Group.

(ii) AcrossAsia Group has the right to buy JPY2,957,500,000 at the strike price of Rp77.4 per JPY1 from the counterparty; or the counterparty has the right to buy JPY2,957,500,000 at the strike price of Rp98 per JPY1 from AcrossAsia Group; or the counterparty has the right to sell JPY2,957,500,000 at the strike price of Rp76 per JPY1 to AcrossAsia Group.

(iii) AcrossAsia Group has the right to buy JPY8,850,000,000 at the strike price of Rp77.4 per JPY1 from the counterparty; or the counterparty has the right to buy JPY8,850,000,000 at the strike price of Rp98 per JPY1 from AcrossAsia Group; or the counterparty has the right to sell JPY8,850,000,000 at the strike price of Rp76 per JPY1 to AcrossAsia Group.

(iv) AcrossAsia Group has agreement of buy United States dollar and sell Indonesian Rupiah amounting to US$35,000,000 for spread more or equal to Rp10,400. If on the termination date the rate is below Rp10,400, then AcrossAsia Group will buy on strike rate amounting to Rp9,025.

(c) AcrossAsia Group entered into an interest rate swap for an amount of US$75,000,000 which will be terminated on 18 June 2010. AcrossAsia Group will pay annual fixed interest rate on the principal amount at 2.75% p.a. and the counterparty will pay floating interest at 3-month LIBOR quarterly.

The purpose of the interest rate swap contract is to cover the risks of potential losses on a bank loan of US$75,000,000 arising from the increase in interest rate. The contract qualified as hedges of future cash flows accounting. The effective portion of the changes in fair value is recognised directly in equity.

(d) AcrossAsia Group entered into a non-deliverable foreign currency forward contract which will be terminated on 22 April 2009. AcrossAsia Group has the right to buy an amount of JPY4,000,000,000 at the strike price of Rp109.5 per JPY1, equivalent to Rp438,000,000,000.

(e) AcrossAsia Group granted cash-settled call options linked to the performance of shares of Matahari on the Jakarta Stock Exchange to certain bankers in relation to a bank loan of US$75,000,000 granted by the bankers during the year ended 31st December 2007. The options will be terminated on various dates upto 18th March 2013. The fair value of the call options were approximately HK$26,293,000 (2007: HK$30,456,000) at 31st December 2008. AcrossAsia recognised a gain on fair value of approximately HK$4,163,000 (2007: HK$4,847,000) for the year ended 31st December 2008.

40. TRADE PAYABLES

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

	AcrossAsia Group	
	2008	2007
	HK$'000	HK$'000
Within 3 months	**950,362**	934,703
3 to 6 months	**12,439**	1,983
Over 6 months	**22,878**	8,298
	985,679	944,984

At 31st December 2008, trade payables of AcrossAsia Group included payables to certain related companies, which are directly or indirectly owned, controlled or influenced by the principal beneficial shareholder of the Company, totalling approximately HK$1,109,000 (2007: HK$549,000). These balances are unsecured, interest-free and are repayable principally in accordance with normal trading terms.

41. NOTES TO THE CASH FLOW STATEMENT

Major non-cash transactions

During the year ended 31st December 2008, AcrossAsia Group had the following major non-cash transactions:

(i) Additions to property, plant and equipment during the year of approximately HK$65,464,000 (2007: HK$2,625,000) were financed by finance leases;

(ii) Additions to property, plant and equipment during the year of approximately HK$293,504,000 (2007: HK$354,839,000) were net off against advance payments for acquisition of property, plant and equipment.

Notes to the Financial Statements

for the year ended 31st December 2008

42. LEASE COMMITMENTS

At 31st December 2008 the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	AcrossAsia Group	
	2008	2007
	HK$'000	HK$'000
Within one year	**477,498**	510,841
In the second to fifth years, inclusive	**1,658,696**	493,402
After five years	**1,330,380**	3,164,521
	3,466,574	4,168,764

Operating lease payments represent rentals payable by AcrossAsia Group for certain of its offices and stores. Leases are negotiated for terms ranging from two to twenty years and rentals are fixed over the lease terms and do not include contingent rentals.

43. CAPITAL COMMITMENTS

AcrossAsia Group's capital commitments at the balance sheet date are as follows:

	2008	2007
	HK$'000	HK$'000
Property, plant and equipment		
Contracted but not provided for	**103,903**	109,827
Unpaid balance of capital contributions to an associate	**114,660**	114,660

44. PLEDGE OF ASSETS

AcrossAsia Group's banking and other borrowing facilities other than bonds payable at the balance sheet date are secured by:

(i) Property, plant and equipment with an aggregate carrying value of approximately HK$16,010,000 as at 31st December 2008 (2007: HK$62,028,000) (Note 15).

(ii) Investment properties with an aggregate carrying value of approximately HK$37,655,000 as at 31st December 2008 (2007: HK$44,224,000) (Note 16).

(iii) 38,000,000 shares (2007: 106,500,000 shares) in First Media with market value of approximately HK$25,282,000 as at 31st December 2008 (2007: HK$74,622,000) (Note 17).

(iv) 2,065,500,000 shares (2007: 1,865,500,000 shares) in Matahari with market value of approximately HK$920,995,000 as at 31st December 2008 (2007: HK$1,069,988,000) (Note 17).

(v) Inventories with an aggregate carrying value of approximately HK$32,911,000 as at 31st December 2008 (2007: HK$31,172,000) (Note 25).

(vi) Trade receivables with an aggregate carrying value of approximately HK$85,417,000 as at 31st December 2008 (2007: HK$83,042,000) (Note 26).

(vii) Financial assets at fair value through profit or loss with market value of approximately HK$220,258,000 as at 31st December 2008 (2007: HK$Nil) (Note 28).

(viii) Bank deposits of approximately HK$98,813,000 as at 31st December 2008 (2007: HK$111,878,000) (Note 29).

Notes to the Financial Statements

for the year ended 31st December 2008

45. FINANCIAL INSTRUMENTS

Fair value estimation

Current financial assets and liabilities

AcrossAsia Group's carrying amounts for current financial assets and liabilities approximate their fair values due to the short maturity of these instruments.

Non-current financial assets and financial liabilities

For available-for-sale financial assets in listed shares of approximately HK$3,058,000 (2007: HK$3,097,000) and listed unit trust of approximately HK$84,104,000 (2007: HK$181,120,000), which are stated at quoted market price, their carrying amounts approximate their fair values. For long term investments in unlisted shares of approximately HK$5,456,000 (2007: HK$3,746,000), whose fair value cannot be reliably measured without incurring excessive costs, they are carried at cost less any impairment losses. The Directors believe that the carrying amount of those investments represents AcrossAsia Group's best estimate of their fair value.

Except as disclosed in the following table, the carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated balance sheet approximate their respective fair values. A comparison of the carrying amount and fair value of non-current long term floating rate borrowings, whose fair value has been calculated primarily by discounting the expected future cash flows at the prevailing interest rates or current market rates available to AcrossAsia Group for similar financial instruments, is set out below:

	Carrying amounts		**Fair values**	
	2008 **HK$'000**	2007 HK$'000	**2008** **HK$'000**	2007 HK$'000
Long term floating rate borrowings, non-current portion	**1,857,860**	560,564	**1,885,199**	593,148

45. FINANCIAL INSTRUMENTS (Continued)

Interest rate risk

The following table sets out the carrying amount, by maturity, of AcrossAsia Group's financial instruments that are exposed to interest rate risk:

	Within one year HK$'000	**In the second year** HK$'000	**In the third to fifth years, inclusive** HK$'000	**Total** HK$'000
As at 31st December 2008				
Fixed rate				
Bank loans	84,601	306,680	107,792	499,073
Other borrowings	87,541	–	–	87,541
Notes payable	1,067,308	52,628	22,279	1,142,215
Finance lease payables	24,000	18,453	12,123	54,576
Bonds payable	312,580	–	–	312,580
Floating rate				
Bank and cash balances	1,611,420	–	–	1,611,420
Pledged bank deposits	98,813	–	–	98,813
Bank loans	325,964	897,410	960,450	2,183,824
Due to a related company	4,000	–	–	4,000
As at 31st December 2007				
Fixed rate				
Bank loans	164,713	369,914	250,652	785,279
Other borrowings	98,491	–	–	98,491
Notes payable	2,349	1,219,880	–	1,222,229
Finance lease payables	953	953	320	2,226
Bonds payable	–	370,028	–	370,028
Floating rate				
Bank and cash balances	2,638,136	–	–	2,638,136
Pledged bank deposits	111,878	–	–	111,878
Bank loans	889,431	5,465	555,099	1,449,995
Due to a related company	–	4,000	–	4,000

45. FINANCIAL INSTRUMENTS (Continued)

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until maturity of the instruments. The other financial instruments of AcrossAsia Group that are not included in the above tables are non-interest bearing, and are therefore not subject to interest rate risk.

46. FINANCIAL RISK MANAGEMENT

The main financial risks faced by AcrossAsia Group are credit risk, foreign currency risk, interest rate risk, liquidity risk and price risk. The Directors review and agree policies for managing each of these risks of AcrossAsia Group, which are summarised below. AcrossAsia Group also monitors the market price risk arising from all financial instruments.

(a) Credit risk

Financial instruments that potentially subject AcrossAsia Group to significant concentrations of credit risk consist principally of bank deposits, trade receivables, other receivables and certain investments. AcrossAsia Group's exposure to credit risk arises from default of other parties, with maximum exposure equal to the carrying amount of these instruments.

AcrossAsia Group maintains bank deposits with various financial institutions. AcrossAsia Group's policy is designed to limit exposure to any one institution. AcrossAsia Group performs periodic evaluations of the relative credit standing of those financial institutions that are considered in AcrossAsia Group's investment strategy.

Concentrations of credit risk with respect to trade receivables are limited due to the large number of entities comprising AcrossAsia Group's customer base. AcrossAsia Group normally grants trade credits to recognised and creditworthy customers and receivable balances are monitored on an ongoing basis by senior management.

AcrossAsia Group has significant concentration of credit risk with respect to its financial assets at fair value through profit or loss. As further detailed in Note 28 to the financial statements, AcrossAsia Group has invested in certain managed funds, debt securities, bonds and other investments with an aggregate carrying value of approximately HK$1,050 million at 31st December 2008. The managed funds have invested primarily in various fixed-income products, including, but not limited to, promissory notes and commercial papers issued by various companies and accordingly, may expose AcrossAsia Group to various credit and other risks, which are beyond the direct control of AcrossAsia Group. Such investments are closely monitored by senior management on an ongoing basis. AcrossAsia Group's exposure to credit risk would arise from default of the issuer, with maximum exposure equal to the carrying amount of the investments.

46. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

With respect to credit risk arising from the other financial assets of AcrossAsia Group, AcrossAsia Group's exposure to credit risk arises from default of the other parties, with maximum exposure equal to the carrying amount of these instruments. There are no significant concentrations of credit risk for those financial assets within AcrossAsia Group.

(b) Foreign currency risk

As a result of significant operations in Indonesia, AcrossAsia Group's balance sheet can be affected significantly by movements in Indonesian Rupiah/United States dollar exchange rates. AcrossAsia Group seeks to mitigate the effect of its structural currency exposure by borrowing in Indonesia Rupiah.

AcrossAsia Group also has transactional currency exposures. Such exposures arise from sales, purchases or borrowings by the Company's subsidiaries in currencies other than the subsidiaries' functional currency.

A substantial portion of AcrossAsia Group's revenue and cost of sales and services rendered are denominated in Indonesian Rupiah and United States dollar. AcrossAsia Group also generates expenses and liabilities in Indonesian Rupiah and United States dollar. As a result, AcrossAsia Group is required to convert Indonesian Rupiah into other currencies, particularly United States dollar, to meet its foreign exchange liabilities as they become due. Any adverse movement in the exchange rate of Indonesian Rupiah against the United States dollar would have an adverse effect on the results of AcrossAsia Group.

At 31st December 2008, if Indonesian Rupiah had weakened/strengthened 10% against the United States dollar with all other variables held constant, consolidated (loss)/profit after tax for the year would have been approximately HK$206,895,000 (2007: HK$235,844,000) higher/lower (2007: lower/higher), arising mainly as a result of the foreign exchange loss/gain on borrowings denominated in the United States dollar.

Moreover, the Indonesian government may in the future decide to introduce a scheme of exchange controls or other currency controls with a view to stabilising the exchange rate of the Indonesian Rupiah. The imposition of any such exchange controls may adversely affect the ability of AcrossAsia Group to exchange Indonesian Rupiah denominated revenue into United States dollar or other foreign currency denominated liabilities and may adversely affect AcrossAsia Group's financial condition.

Notes to the Financial Statements

for the year ended 31st December 2008

46. FINANCIAL RISK MANAGEMENT (Continued)

(c) Interest rate risk

AcrossAsia Group's exposure to market risk for changes in interest rates relates primarily to its long term borrowing obligations and interest bearing assets.

AcrossAsia Group's policy is to manage its interest cost using a mixture of fixed and variable rate borrowings. At 31st December 2008, approximately 49% of AcrossAsia Group's interest-bearing borrowings were at a fixed rate of interest.

Further details of interest rate risk of AcrossAsia Group are set out in Note 45 to the financial statements.

At 31st December 2008, if interest rates at that date had been 100 basis points lower/higher with all other variables held constant, consolidated (loss)/profit after tax for the year would have been HK$15,287,000 (2007: HK$24,268,000) lower/higher (2007: higher/lower), arising mainly as a result of lower/higher interest expense on bank and other borrowings.

(d) Liquidity risk

AcrossAsia Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank and other borrowings, promissory notes, finance leases, other payables and balances with related companies. Approximately HK$2,272,332,000 and HK$74,907,000 of AcrossAsia Group's total borrowings and notes payable, respectively, at the balance sheet date will mature in more than one year. Due to the dynamic nature of underlying business, AcrossAsia Group aims at maintaining flexibility in funding by keeping committed credit lines available.

46. FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity risk (Continued)

The following table sets out the amounts of contractual undiscounted cash flows, by maturity, of AcrossAsia Group's financial liabilities:

	Within one year HK$'000	In the second year HK$'000	In the third to fifth years, inclusive HK$'000	Total HK$'000
As at 31st December 2008				
Bank loans	459,349	1,521,858	1,451,996	3,433,203
Other borrowings	100,621	–	–	100,621
Notes payable	1,149,159	69,238	28,931	1,247,328
Bonds payable	355,716	–	–	355,716
Finance lease payables	30,433	19,273	13,764	63,470
Due to a related company	7,433	–	–	7,433
Trade payables	985,679	–	–	985,679
As at 31st December 2007				
Bank loans	1,138,221	463,289	1,116,877	2,718,387
Other borrowings	103,784	–	–	103,784
Notes payable	2,508	1,396,392	–	1,398,900
Bonds payable	–	479,203	–	479,203
Finance lease payables	982	1,055	526	2,563
Due to a related company	6,456	4,928	–	11,384
Trade payables	944,984	–	–	944,984

(e) Price risk

Price risk is the risk that the value of financial assets will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual assets or factors affecting all assets in the market.

AcrossAsia Group is exposed to price risk on its investments in listed securities and managed funds.

Senior management seeks to manage price risk by employing the services of professional investment managers as well as internal monitoring. Monitoring of AcrossAsia Group's market exposure is carried out by senior management on an ongoing basis.

Notes to the Financial Statements

for the year ended 31st December 2008

46. FINANCIAL RISK MANAGEMENT (Continued)

(e) Price risk (Continued)

At 31st December 2008, if the market price of the Company's financial assets at fair value through profit or loss had been 10% higher/lower, (loss)/profit after tax for the year would have been approximately HK$73,479,000 (2007: HK$38,696,000) lower/higher (2007: higher/lower), arising mainly from the unrealised holding gains/losses from financial assets at fair value through profit or loss.

At 31st December 2008, if the market price of the Company's available-for-sale financial assets had been 10% higher/lower, consolidated equity would have been approximately HK$8,716,000 (2007: HK$18,422,000) higher/lower, arising mainly from the unrealised holding gains/losses from available-for-sale financial assets.

(f) Other market risk

The Group's derivative financial instruments are measured at fair value at each balance sheet date. Therefore, the Group is exposed to market risk arising from changes in market interest rates and foreign exchange rates.

The table below summaries the impact of increases/decreases of the various variables on the consolidated (loss)/profit after tax for the year. The analysis is based on the assumption that all other variables held constant.

		Impact on consolidated (loss)/profit for the year	
	Parameter	**2008**	2007
		HK$'000	HK$'000
Cross currency rate swap:			
United States dollar/Japanese yen	Increase 10%	**(114,169)**	(96,738)
	Decrease 10%	**114,169**	96,738
Foreign exchange option contracts:			
Indonesian Rupiah/Japanese yen	Increase 10%	**7,129**	34,721
	Decrease 10%	**(13,665)**	(52,435)
Indonesian Rupiah/United States dollar	Increase 10%	**399**	7,326
	Decrease 10%	**(1,672)**	(17,707)
Non-deliverable foreign exchange forward contract:			
Indonesian Rupiah/Japanese yen	Increase 10%	**18,608**	–
	Decrease 10%	**(22,743)**	–

47. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the financial statements, AcrossAsia Group had the following transactions with its related parties during the year:

	AcrossAsia Group	
	2008	2007
	HK$'000	HK$'000
Service fees from distribution and maintenance of hardware equipment and software packages and service fees for technology solutions rendered to:		
– PT AIG Life	**2,186**	738
– PT Lippo Karawaci Tbk	**5,112**	5,459
Interest income from:		
– PT Lippo Securities Tbk	**–**	1,238
Rental income from:		
– PT Lippo Karawaci Tbk	**2,365**	1,755
Marketing expenses charged by:		
– Avel Pty. Limited, Australia	**3,944**	6,614
Insurance expense charged by:		
– PT Lippo General Insurance	**1,397**	2,118

48. PENDING LITIGATION AND ARBITRATION

(i) On 3rd September 2008, Ayunda, a subsidiary of First Media, had submitted a civil lawsuit in the South Jakarta District Court against (i) Astro All Asia Networks PLC, (ii) MEASAT Broadcast Network System SDN BHD, (iii) All Asia Multimedia Networks FZ-LLC, (iv) MEASAT Satellite Systems SDN BHD ((i) to (iv), collectively, "Astro Related Parties"), (v) Ralph Marshall, (vi) Sean Dent, (vii) Nelia Concap Cion Molato, (viii) Liza Tjondro, (ix) PT Adi Karya Visi, (x) Tara Agus Sosrowardoyo, (xi) PT Karyamegah Adijaya, (xii) PT Abadi Berkah as defendants and Direct Vision, an associate of the Group, as co-defendant under Registration No.1100/Pdt.G/2008/PN.Jak-SEL. The Company was not a party to this lawsuit. The purpose of the lawsuit was to uphold an oral agreement for Astro Related Parties to support Direct Vision and invest in Direct Vision as a shareholder. The lawsuit would be heard in an Indonesian court in the full view of the public.

Notes to the Financial Statements

for the year ended 31st December 2008

48. PENDING LITIGATION AND ARBITRATION (Continued)

(ii) On 6th October 2008, (i) Astro Nusantara International B.V., (ii) Astro Nusantara Holdings B.V., (iii) Astro Multimedia Corporation N.V., (iv) Astro Multimedia N.V., (v) Astro Overseas Limited (formerly known as AAAN (Bermuda) Limited), (vi) Astro All Asia Networks PLC, (vii) MEASAT Broadcast Network Systems SDN BHD and (viii) All Asia Multimedia Networks FZ-LLC (collectively, "Astro Group") had submitted a Notice of Arbitration to Ayunda, First Media and Direct Vision for arbitration process in the Singapore International Arbitration Centre, Singapore. Astro Group claims for the payments and services provided to Direct Vision, and the Notice of Arbitration submitted by Astro Group, among other things claim for sums of about US$245,000,000, equivalent to approximately HK$1,911,000,000.

First Media and Ayunda have amongst other things: (i) denied that Astro Group (or any of them) are entitled to seek arbitration in respect of the matters, claims and reliefs in the Notice of Arbitration; (ii) denied that any tribunal which is constituted has or will have jurisdiction over any of the said matters, claims and reliefs; (iii) reserved their right to fully set out the grounds of their challenge to jurisdiction and on the merits at the appropriate time; and (iv) without prejudice to the position above, denied the claims made by Astro Group; and disputed and denied that Astro Group are entitled to the reliefs claimed. The Directors are of the opinion that no provision is required to be made.

49. POST BALANCE SHEET EVENTS

(a) Business combination

On 16th January 2009, Multipolar subscribed for 69,950,000 new shares of PT Air Pasifik Utama ("Air Pasifik"), a company incorporated in Indonesia with limited liability, representing approximately 99.93% of the enlarged issued share capital of Air Pasifik at the par value of Rp500 per share, totalling Rp34,975,000,000, equivalent to approximately HK$24,696,000. The consideration was settled by the repayment of an advance to Air Pasifik by Multipolar of approximately HK$24,754,000 as at 31 December 2008 of which an allowance of approximately HK$4,616,000 was made during the year ended 31st December 2008. Air Pasifik is engaged in the provision of helicopter services in Indonesia.

There is not sufficient time for the Directors to prepare financial statements of Air Pasifik in accordance with IFRSs for business combination purposes. According to the management financial statements of Air Pasifik for the year ended 31st December 2007, the unaudited net liabilities of Air Pasifik as at 31st December 2007 was approximately Rp1,433,224,095 (approximately HK$1,012,000). The estimated net asset value and goodwill (if any) are subject to adjustments for fair value measurement of the identifiable net assets acquired and for the adoption of IFRSs.

49. POST BALANCE SHEET EVENTS (Continued)

(b) Issue of bonds by Matahari

On 23rd March 2009, Matahari entered into an agreement with a trustee related to Third Matahari Bonds and Second Matahari Ijarah Sukuk offering maximum Rp350,000,000,000, equivalent to approximately HK$247,719,000, with detail as follows:

– Third Matahari Bonds, maximum Rp350,000,000,000 (equivalent to approximately HK$247,719,000), at 16% per annum for Series A with 3 years period and at 17% per annum for Series B with 5 years period; and

– Second Matahari Ijarah Sukuk, maximum Rp250,000,000,000 (equivalent to approximately HK$176,942,000) with fixed "ijarah fee" amounting to Rp160,000,000 (equivalent to approximately HK$113,000) per annum, per Rp1,000,000,000 (equivalent to approximately HK$707,000) Second Matahari Ijarah Sukuk Fund for Series A with 3 years period; and amounting to Rp170,000,000 (equivalent to approximately HK$120,000) per annum, per Rp1,000,000,000 (equivalent to approximately HK$707,000) Second Matahari Ijarah Sukuk Fund for Series B with 5 years period.

On 14th April 2009, Third Matahari Bonds of Rp302,000,000,000 (equivalent to approximately HK$213,746,000) and Second Matahari Ijarah Sukuk of Rp226,000,000,000 (equivalent to approximately HK$159,956,000) were listed on the Jakarta Stock Exchange.

50. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

51. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 23rd April 2009.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of AcrossAsia Limited (the "Company") will be held at No. 4, Ground Floor, Lippo Centre, 89 Queensway, Hong Kong on Wednesday, 3rd June 2009 at 10:30 a.m. for the following purposes:

1. To receive and adopt the audited Consolidated Financial Statements of the Company and its subsidiaries, the Report of the Directors and the Independent Auditor's Report for the year ended 31st December 2008.

2. To consider the re-election of retiring Directors and to authorise the Board of Directors to fix the Directors' remuneration.

3. To consider the re-appointment of RSM Nelson Wheeler as the Auditor of the Company and to authorise the Board of Directors to fix its remuneration.

4. As special business, to consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

   A. "**THAT:**

   (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and/or options (including warrants to subscribe for shares), which might require the exercise of such powers, be and is hereby generally and unconditionally approved;

   (b) the approval in paragraph (a) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and/or options (including rights to subscribe for or convert into shares), which might require the exercise of the powers to allot, issue and deal with additional shares in the capital of the Company after the end of the Relevant Period;

   (c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of any option granted under the Company's share option schemes or any other option, scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the time of passing this Resolution, and the said approval shall be limited accordingly;

(d) for the purposes of this Resolution:–

"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:–

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law of the Cayman Islands or the Company's Memorandum and Articles of Association to be held; and

(iii) the authority set out in this Resolution being revoked or varied by way of ordinary resolution of the Company in general meeting.

"Rights Issue" means an offer of shares open for a period fixed by the Directors of the Company to holders of shares whose names appear on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange); and

(e) the authority conferred by this Resolution shall be in substitution for all previous authorities granted to the Directors of the Company, except that it shall be without prejudice to and shall not affect the exercise of the power of the Directors of the Company pursuant to such authorities to allot additional shares of the Company up to and in accordance with the approval therein contained prior to the date of this Resolution."

B. "**THAT:**

(a) subject to paragraph (c) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase issued shares in the capital of the Company on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Securities and Futures Commission, the Stock Exchange or any other stock exchange as amended from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;

Notice of Annual General Meeting

(b) the approval in paragraph (a) of this Resolution shall authorise the Directors of the Company, on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the Directors of the Company;

(c) the aggregate nominal amount of the shares which are authorised to be purchased by the Directors of the Company exercising the power pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

(d) for the purposes of this Resolution:–

"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:–

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law of the Cayman Islands or the Company's Memorandum and Articles of Association to be held; and

(iii) the authority set out in this Resolution being revoked or varied by way of ordinary resolution of the Company in general meeting."

C. "**THAT** conditional on the passing of Resolution 4B as set out in the notice convening this Meeting (the "AGM Notice") of which this Resolution forms a part, the general mandate granted to the Directors of the Company to allot and issue shares pursuant to Resolution 4A as set out in the AGM Notice be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors of the Company pursuant to such general mandate an amount representing the aggregate nominal amount of the shares in the share capital of the Company repurchased by the Company under the authority granted pursuant to the said Resolution 4B, provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the time of passing this Resolution."

Notice of Annual General Meeting

5. As special business, to consider and, if thought fit, pass the following resolution as a Special Resolution:

“**THAT** the Articles of Association of the Company be and are hereby amended in the following manner:

1. Article 2

by inserting the following new definition of “business day”

“**business day**	shall mean a day on which the Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Exchange is closed for the business of dealing in securities in Hong Kong on a business day by reason of a number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Articles be counted as a business day.”

2. Article 73(a)

by deleting article 73(a) in its entirety and substituting therefor the following:

“An annual general meeting shall be called by notice of not less than 21 days and not less than 20 clear business days and any extraordinary general meeting at which the passing of a special resolution is to be considered shall be called by notice of not less than 21 days and not less than 10 clear business days. All other extraordinary general meetings shall be called by notice of not less than 14 days and not less than 10 clear business days. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place, and agenda of the meeting, particulars of the resolutions to be considered at the meeting and in the case of special business (as defined in Article 75) the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the Auditors and to all members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.””

By Order of the Board
Kelsch Woon Kun WONG
Company Secretary

Hong Kong, 30th April 2009

Notice of Annual General Meeting

Head Office and Principal Place of
Business in Hong Kong:
Room 4302, 43rd Floor
Tower One
Lippo Centre
89 Queensway
Hong Kong

Notes:

1. *Any member entitled to attend and vote at the meeting is entitled to appoint one or more separate proxies to attend and vote instead of him. A proxy need not be a member of the Company. At the meeting, the chairman of the meeting will exercise his power under Article 80(a) of the Articles of Association of the Company to put each of the above Resolutions to the vote by poll.*

2. *To be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be deposited at the Company's Head Office and Principal Place of Business in Hong Kong at Room 4302, 43rd Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting.*

3. *Delivery of a form of proxy shall not preclude a member from attending and voting in person at the meeting and in such event, the form of proxy shall be deemed to be revoked.*

AcrossAsia Limited