Annual Report 2009

AcrossAsia Limited

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

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

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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") of the Stock Exchange 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

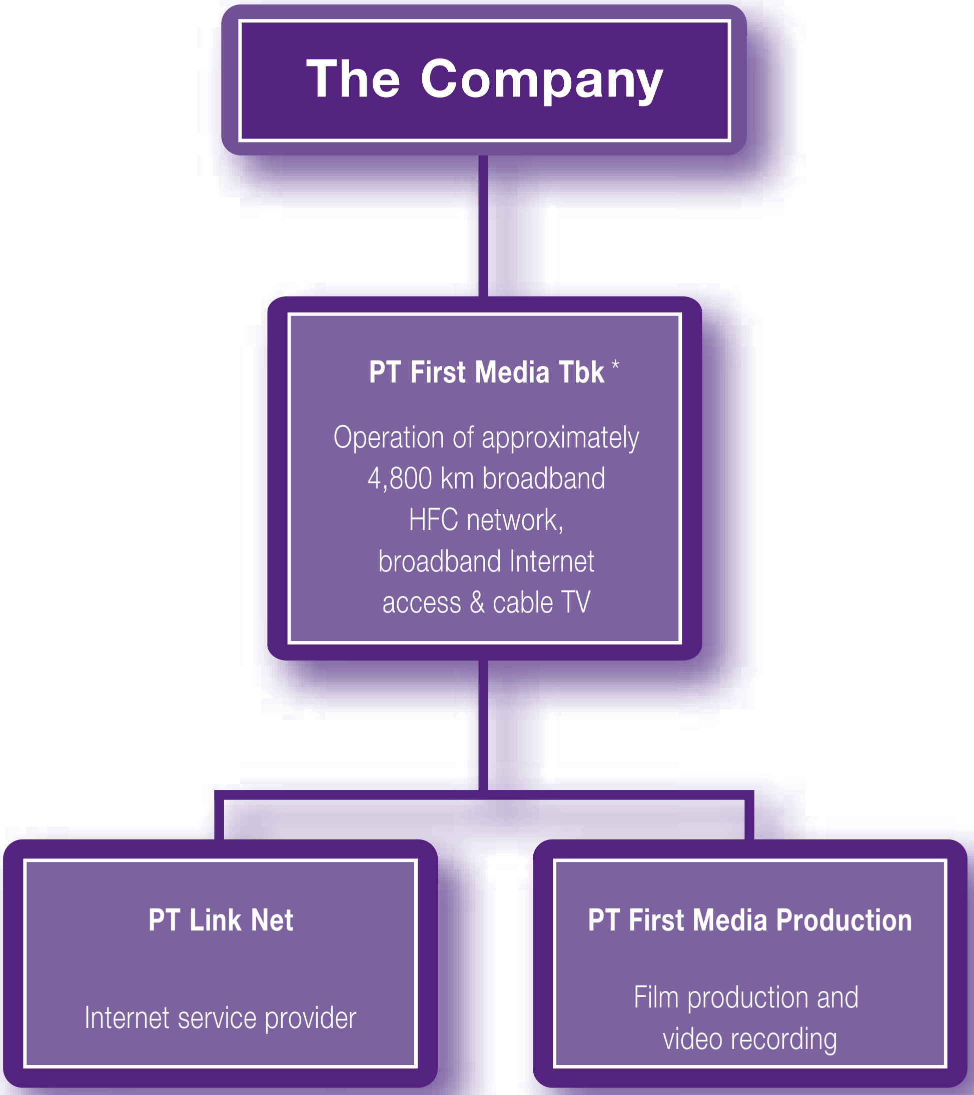
8061

WEBSITES OF THE COMPANY AND MAJOR SUBSIDIARIES

www.across-asia.com
www.firstmedia.com
www.link.net.id

Corporate Structure

As at 31st December 2009



* *Listed on the Indonesia Stock Exchange*

Chairman's Statement

On behalf of the Board of Directors (the "Board") of the Company, I am delighted to present the Annual Report of the Company and its subsidiaries (collectively "AcrossAsia Group") for the financial year ended 31st December 2009 ("2009").

AcrossAsia Group's investments and operations are substantially located in Indonesia. Assisted by supportive domestic fiscal and monetary policies, strong commodity exports and foreign direct investments which all contributed to driving domestic consumption and investment, Indonesia emerged from the global financial crisis doing well. With an economic growth rate slightly below 5%, Indonesia outperformed its regional neighbours and together with China and India were the only G20 members posting growth during the global economic crisis.

Through the distribution in specie of all of the Company's shareholdings in PT Multipolar Tbk ("Multipolar") (the "Distribution") in 2009, we offered the shareholders of the Company (the "Shareholders") greater flexibility to diversify their investments by directly holding Multipolar's shares and to participate in the prospects of Multipolar and its major subsidiary, PT Matahari Putra Prima Tbk ("Matahari"). In effect, we transferred value from the Company into the hands of the Shareholders. As a result of the Distribution made in September 2009, Multipolar and Matahari have ceased to be subsidiaries of the Company. In the result, the businesses of AcrossAsia Group have been streamlined from the previous three lines of Retail, IT Solutions and Broadband Services to the present primary focus through PT First Media Tbk ("First Media") on Broadband Services.

For 2009, AcrossAsia Group achieved a turnover of HK$537.1 million, an increase of 25.3% over the HK$428.5 million for the financial year ended 31st December 2008 ("2008"), and recorded a profit attributable to the Shareholders of HK$129.0 million (2008: loss of HK$85.8 million) from continuing operations and HK$33.3 million (2008: loss of HK$33.8 million) from discontinued operations.

With a total population of 240 million, Indonesia is one of the fastest growing Internet markets in the world, both in terms of scale and development potential. It is forecasted that the number of Internet subscribers in Indonesia will reach 80 million by end 2010. Within this enlarged customer base, broadband subscribers will increase by 24%. Against this background, the prospects of significant revenue growth look good for the providers of digital contents and broadband services in Indonesia.

First Media has scheduled to deploy the broadband wireless access ("WiMAX") services in 2010 in its efforts to catch up with the rapid demand growth of the Internet market. The strategy going forward is for First Media to achieve the widest customer reach through broadening and improving its offerings on its existing broadband network, contents of Cable TV and WiMAX services. On this strategy, AcrossAsia Group is confident that First Media will enhance its market position and competitive standing in Indonesia.

On behalf of the Board, I would like to express my sincere gratitude to the clients, suppliers and business partners for their continued support. I would also like to thank my fellow Directors for their dedication, wise counsel and guidance. Last but not least, I extend my appreciation to the Management and Staff for their hard work, contributions and commitment.

Albert Saychuan CHEOK
Chairman
Hong Kong, 24th March 2010

Financial Summary

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

	2009 **HK$'000**	2008 HK$'000 Restated	2007 HK$'000	2006 HK$'000	2005 HK$'000
CONSOLIDATED RESULTS					
Continuing operations					
Turnover*	**537,147**	428,548	9,194,939	8,084,146	6,276,514
Gross profit*	**320,247**	222,441	2,508,476	2,209,491	1,830,982
Profit/(loss) for the year from continuing operations*	**137,922**	(137,087)	454,485	107,860	117,562
Discontinued operations					
Profit/(loss) for the year from discontinued operations	**159,515**	(88,271)	–	–	–
Profit/(loss) after tax but before minority interests	**297,437**	(225,358)	454,485	107,860	117,562
Profit/(loss) attributable to owners of the Company	**162,234**	(119,656)	63,337	11,652	(3,760)
CONSOLIDATED ASSETS & LIABILITIES					
Shareholders' equity	**(61,364)**	419,225	631,571	618,577	541,474
Non-current assets	**1,191,146**	4,616,954	4,399,395	4,197,636	3,332,775
Current assets	**191,472**	4,235,610	4,609,871	3,075,112	1,668,781
Current liabilities	**761,348**	3,914,189	2,917,756	2,851,454	1,700,332
Non-current liabilities	**595,782**	2,614,898	3,002,792	2,173,656	1,338,082

* Turnover and results of Retail and IT Solutions are remained as items under continuing operations for 2005, 2006 and 2007.

Management Review

FINANCIAL REVIEW

AcrossAsia Group's results for 2009 were analysed based on the continuing operations namely Broadband Services and discontinued operations namely Retail and IT Solutions.

Continuing Operations

Turnover

During the year under review, AcrossAsia Group recorded an increase in revenue of 25.3% to HK$537.1 million compared to HK$428.5 million in 2008 which was mainly contributed by a rapid growth of Internet service subscribers.

Gross Profit

AcrossAsia Group's gross profit increased by 44.0% to HK$320.2 million from HK$222.4 million in 2008. The profit margin increased to 59.6% from 51.9% for 2008. The existing broadband infrastructure and capacity enables nearly all the revenue generated from new Internet service subscribers as a gross profit.

Profit from Operations

AcrossAsia Group turned to a profit from operations of HK$225.1 million from a loss from operations of HK$112.7 million for 2008. It mainly resulted from a net foreign exchange gain of HK$81.2 million (2008 : loss of HK$80.1 million) and a waiver of other payables of HK$135.4 million for 2009 (2008 : HK$Nil).

Total operating expenses increased to HK$312.2 million from HK$240.4 million in 2008 as a result of recruitment of additional staff to support the rapid growth of Broadband Services and higher operating licence fees and charges for enrichment of Cable TV contents.

Profit attributable to Owners

AcrossAsia Group recorded a profit attributable to owners of the Company of HK$129.0 million (2008 : loss of HK$85.8 million).

Finance Resources and Capital Structure

AcrossAsia Group primarily financed its operations with internally generated cash flows and borrowings during 2009. As at 31st December 2009, AcrossAsia Group had bank and cash balances of HK$28.6 million. The total borrowings increased to HK$1,128.0 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 Dollar 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 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; 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 broadband services.

AcrossAsia Group's gearing ratio, representing total borrowings divided by share capital, was 2.2 times as at 31st December 2009. Because of significant operations in Indonesia, AcrossAsia Group has foreign currency exposure mainly in transaction and conversion risks. AcrossAsia Group will continue to take measures to minimise its foreign exchange exposure.

Discontinued Operations

Results and Profit attributable to Owners

AcrossAsia Group's discontinued operations recorded a profit for the nine-month period up to 30th September 2009 and a profit attributable to owners of the Company of HK$126.3 million (2008 : loss of HK$54.4 million) and HK$33.3 million (2008: loss of HK$33.8 million) respectively.

BUSINESS REVIEW

First Media

First Media, a subsidiary of the Company listed on the Indonesia Stock Exchange in which the Company has a 55.1% interest, is the flagship of Broadband Services.

First Media is a leading two-way hybrid fibre coaxial ("HFC") cable service provider with high network availability and reliability supported by a 24-hour network operation center and helpdesk corporate representatives, thus providing customer satisfaction and benefits. It offers a new lifestyle of experience and connectivity to its valued customers in Indonesia through Triple-play, namely FastNet, HomeCable and 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 covering news, movies, lifestyle, entertainment, sports, music, education and kids channels; DataComm offers high-level business solutions by rendering reliable and efficient broadband services to corporate clients.

On 1st January 2009, First Media lifted the fee charge for its broadband Internet introductory product – FastNet 384 from Rp 99,000 to Rp 135,000 in the light of the rising demand for high-speed broadband Internet access. In March 2009, it launched FastNet SOHO, a new FastNet service that is specially designed for small and medium enterprises ("SME") market. This service provides ideal solutions for SME that require unlimited high-speed broadband Internet access at affordable and competitive rates.

During 2009, First Media was awarded the tender for the licence from the Indonesian Government for WiMAX operations covering Greater Metropolitan Jakarta (Jakarta, Bogor, Depok, Tangerang and Bekasi), Banten and Northern Sumatra areas. WiMAX is an Internet-based advanced technology that provides high-speed wireless data transmission and wide area coverage and can facilitate the growing demand for Internet services in Indonesia. Greater Metropolitan Jakarta and Banten have the highest population with Internet market potential of up to 13 million subscribers, while Northern Sumatra area has a potential of up to 1.6 million subscribers. In November 2009, First Media paid the upfront fee and the first-year annual fee totalling approximately Rp245.1 billion (approximately HK$198,674,000) for the WiMAX licence.

As at 31st December 2009, First Media's HFC network passed approximately 500,000 homes and MDUs (Multiple dwelling units such as apartments, hospitals and other multi-storey buildings) with fibre optic cable and coaxial cable reaching over 3,800 km and 4,800 km respectively. The network covers major residential and central business districts in Greater Metropolitan Jakarta and other prime cities in Indonesia such as Surabaya and Bali. Broadband Internet subscribers reached approximately 153,000 representing a penetration rate of 31% while cable TV subscribers totalled approximately 132,000 representing a penetration rate of 26%. First Media continues to be the sole network provider of the Indonesia Stock Exchange for its JATS-Remote Trading system since 2002.

First Media launched new TV packages covering education, kids, sports, movies and others as well as break-through broadband Internet services - FastNet 10 Mbps and FastNet Kids in early 2010.

In March 2010, First Media announced a proposed rights issue (with bonus warrants) of up to 912,421,400 new shares at the price of Rp500 each for raising a total of up to Rp456.2 billion (approximately HK$381.8 million). The net proceeds therefrom will be used for enhancing the capital structure and performance as well as for the working capital and business development of First Media. The Company will support the said rights issue by subscribing for such number of rights shares as to maintain its approximately 55.1% interest in First Media.

Group Reorganisation

In July 2009, the Company announced a proposed reorganisation of the business, assets and operations of AcrossAsia Group to, amongst other things, streamline its business activities to encourage a single focused line of business, i.e. Broadband Services, as well as proposed capital reduction and sub-division of the shares of the Company (collectively the "Proposals"). The said proposed reorganisation was by way of the distribution in specie of all of the Company's shareholdings in Multipolar to the Company's shareholders. The Proposals were approved by the shareholders of the Company at the Extraordinary General Meeting on 9th September 2009. As a result, Multipolar Group (comprising Multipolar, the flagship of IT Solutions, and its subsidiary, Matahari, being the flagship of Retail, and their subsidiaries) ceased as subsidiaries of the Company in September 2009.

Following the completion of the statutory procedure in the Cayman Islands, the said proposed capital reduction, share sub-division and change in board lot size of the Company's shares became effective on 23rd March 2010.

PROSPECTS

Going forward, First Media will be focusing on delivery of broadband data communication services on both existing fixed line and wireless networks. Important to this strategy will be the roll-out of extensive WiMAX 4G network for Greater Metropolitan Jakarta, VoIP and Interactive Games in tandem with the application of advanced digital and Internet technology and growing market demand for Internet services. Such products will continue to capitalise on First Media's established HFC network. In particular, the WiMAX licence will allow First Media to further expand and develop its ordinary and usual course of business by enhancing its market position and competitiveness and improving its services, thereby optimising its customer base in Indonesia. The WiMAX infrastructure and development works are underway and services are expected to be launched in 2010.

The economy of the Indonesia, backed by stable political conditions and strong domestic demand, continues to demonstrate strong resilience to the economic downturn in USA and Europe and is forecast by its central bank to achieve a growth rate of 5.6% in 2010 with strong trade and investment. The Group will cautiously roll out its services and products by capitalising on the market demand generated by the economic growth and its resources.

EMPLOYEES

As at 31st December 2009, AcrossAsia Group had approximately 560 employees (2008: 19,900) as a result of the cessation of the Multipolar Group as subsidiaries of the Company. 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 options granted or to be granted under the share option scheme, incentive bonus and training schemes.

Directors and Senior Management

EXECUTIVE DIRECTOR

Mr. Marshall Wallace COOPER, aged 50, 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, and 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. 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 59, has been an independent non-executive Director of the Company since February 2006 and the Chairman of the Board since October 2008. He is a member of the Audit Committee and Remuneration Committee of the Company. He graduated from the University of Adelaide, Australia, with a First Class Honours degree in Economics. He is a Fellow of CPA Australia and is a banker with over 30 years of experience in banking in the Asia-Pacific region, particularly in Australia, Hong Kong, Philippines and Malaysia. He is an independent non-executive director of Hongkong Chinese Limited, a company listed on the Stock Exchange, and Auric Pacific Group Limited ("Auric"), a company listed on the Singapore Exchange Securities Trading Limited (the "Singapore Exchange"). He is also a director of Amplefield Limited, listed in Singapore, and the Vice Chairman of Export and Industry Bank, listed in the Philippines. He is the Chairman of Bowsprit Capital Corporation Limited, the Manager of First REIT, a listed healthcare REIT in Singapore. He is a director of Metal Reclamation Berhad, a public listed company in Malaysia, and Oriental Capital Assurance Berhad, a general insurance company in Malaysia. He is also an independent non-executive director of Eoncap Islamic Bank Berhad and MIMB Investment Bank 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 for the period from September 1995 to November 2005.

Dr. Boh Soon LIM, aged 54, 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 was the recent 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 35, has been an independent non-executive Director of the Company since March 2008. He is currently an executive director of Computech Holdings Limited which is listed on GEM. 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. Hengkie LIWANTO, aged 45, joined First Media in 2009 as the CEO and is the President Director of First Media. His professional 22-year career includes 11 years with Citibank Indonesia where he was a Senior Vice President. During his tenure with the bank, he held senior positions for card business management, strategic partnership, sales and distribution, installment business and merchant acquiring business, and spearheaded key market leadership initiatives like EazyPay card-installment and 1-Bill utility payment. He gained rich business management and consumer products marketing experience from a number of non-financial companies: PT Oke Multiguna (a telco distribution company), Christmas Island Resort (resort), PT New Red & White (manufacturing) and PT Wicaksana Overseas International Tbk (FMCG & distribution). He graduated with a Bachelor of Science degree in Industrial and System Engineering from The Ohio State University, U.S.A. in 1987.

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 2009.

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 2009.

BOARD OF DIRECTORS

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

During 2009, the Board held 7 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
Mr. Albert Saychuan CHEOK ("Mr. Cheok")	6/7	85.7%
Mr. Marshall Wallace COOPER ("Mr. Cooper")	7/7	100%
Dr. Boh Soon LIM ("Dr. Lim")	7/7	100%
Mr. Kwong Yiu MAK ("Mr. Mak")	7/7	100%

In addition to the physical meetings of the full Board, the Board also approved matters by resolutions in writing of all the Directors and by meetings of 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 2010 pursuant to a letter dated 18th February 2010.

The term of office of Mr. Mak was extended for two years from 17th March 2010 pursuant to a letter dated 18th February 2010.

The term of office of Dr. Lim was extended for two years from 2nd May 2008 pursuant to a letter dated 28th April 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 2009, 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. During 2009, the Board did not consider any appointment of Directors.

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$700,000. During 2009, the auditor of the Company also provided non-audit services to the Company in the total sum of HK$280,000.

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 2009 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 2009, 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 2009 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.

PREPARATION OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of AcrossAsia Group 2009 (the "Financial Statements") and the auditor of the Company also sets out its reporting responsibilities on the Financial Statements in its Independent Auditor's Report in the Annual Report.

AcrossAsia Group had net current liabilities and net liabilities attributable to owners of the Company of approximately HK$569,876,000 and HK$61,364,000 respectively as at 31st December 2009. These conditions indicate the existence of a material uncertainty concerning AcrossAsia Group's operations going forward as a going concern. Further details are set out in the aforesaid Independent Auditor's Report and note 2 to the Financial Statements.

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. Pursuant to the GEM Listing Rules, any vote of Shareholders at a general meeting must 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 2009.

Report of the Directors

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

PRINCIPAL ACTIVITIES

AcrossAsia Group is engaged principally in the provision of Cable TV, broadband network and broadband Internet access services.

An analysis of AcrossAsia Group's business segments is set out in Note 8 to the Financial Statements.

CUSTOMERS AND SUPPLIERS

For 2009, the five largest customers of AcrossAsia Group accounted for approximately 3.4% of AcrossAsia Group's total turnover (2008: 3.0%), while the five largest suppliers of AcrossAsia Group accounted for approximately 12.8% (2008: 7.8%) of AcrossAsia Group's total purchases. The largest customer of AcrossAsia Group accounted for 1.2% (2008: 1.1%) of AcrossAsia Group's total turnover while the largest supplier accounted for 5.6% (2008: 3.4%) 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 2009 are set out in the Consolidated Income Statement on page 24 of the Annual Report.

A special dividend by way of the Distribution amounting to approximately HK$211,598,000 (2008: Nil) was effected in September 2009.

The Directors do not recommend the payment of a final dividend in respect of 2009.

PENSION COSTS

Particulars of pension costs for 2009 are set out in Note 14 to the Financial Statements.

SHARE CAPITAL

Details of share capital are set out in Note 34 to the Financial Statements.

RESERVES

Movements in reserves and accumulated losses of AcrossAsia Group during 2009 are set out in the Consolidated Statement of Changes in Equity on page 29 of the Annual Report.

EVENTS AFTER THE REPORTING PERIOD

Details of the significant events after the reporting period of AcrossAsia Group are set out in Note 50 to the Financial Statements.

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

During 2009, 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 21 to the Financial Statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment during 2009 are set out in Note 19 to the Financial Statements.

INTEREST-BEARING BORROWINGS AND NOTES PAYABLE

Particulars of interest-bearing borrowings and notes payable as at 31st December 2009 are set out in Notes 38 and 39 respectively to the Financial Statements.

RELATED PARTY TRANSACTIONS

The related party transactions are set out in Note 49 to the Financial Statements.

DIRECTORS

The Directors who held office during 2009 and up to the date of this report were:

Executive Director
Mr. Marshall Wallace COOPER

Independent non-executive Directors
Mr. Albert Saychuan CHEOK
Dr. Boh Soon LIM
Mr. Kwong Yiu MAK

In accordance with Article 116 of the Articles, Mr. Cooper and Mr. Cheok 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 2010 pursuant to a letter dated 18th February 2010.

The term of office of Mr. Mak was extended for two years from 17th March 2010 pursuant to a letter dated 18th February 2010.

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

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in Note 10 to the 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 2009 or at any time during 2009.

DISCLOSURE OF INTERESTS IN SECURITIES

Directors and Chief Executive

As at 31st December 2009, 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 1,000,000 shares of the Company (representing approximately 0.02% of the issued share capital thereof).

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

Long Position in Underlying Shares of the Company and Associated Corporations

(i) Physically settled equity derivatives

Pursuant to the Pre-IPO Share Option Plan of the Company (the "Pre-IPO Plan"), the Directors and the chief executive of the Company were granted on 23rd June 2000 (the "Grant Date") options to subscribe for shares of the Company at a subscription price of HK$3.28 per share as follows:

	Number of underlying shares			
Name	**Granted**	**Lapsed**	**Outstanding as of 31st December 2009**	**Percentage of enlarged issued share capital**
Mr. Marshall Wallace COOPER	355,000	–	355,000 *(Note 1)*	0.01
Total	355,000	–	355,000	0.01

Notes:

1. 35,500 shares became exercisable from each of 14th January 2001 and 1st April 2001 and 71,000 shares became exercisable 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 Wen 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 had lapsed 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 2009, 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 2009, 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 36 to the 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 2009 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 2009. There was a chance that such businesses might have competed with AcrossAsia Group during 2009.

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 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
Albert Saychuan CHEOK
Chairman

Hong Kong, 24th March 2010

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 112, which comprise the consolidated and Company statements of financial position as at 31st December 2009, and consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows 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 2009 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.

EMPHASIS OF MATTERS

Without qualifying our opinion, we draw attention to the following matters:

(i) Material uncertainty

As mentioned in note 2 to the financial statements, the Group had net current liabilities and net liabilities attributable to owners of the Company of approximately HK$569,876,000 and HK$61,364,000, respectively, as at 31st December 2009. These conditions indicate the existence of a material uncertainty concerning the Group's operations going forward as a going concern. The financial statements have been prepared on a going concern basis, the validity of this depends upon the Group's ability to secure additional credit facilities and other funding measures to enable the Group to meet its financial obligations as and when they fall due in the foreseeable future. The financial statements do not include any adjustments that would result from the failure to obtain such credit facilities and other funding measures. We consider that the material uncertainty has been adequately disclosed in the financial statements.

(ii) Legal claims and awards

As explained in note 50(b) to the financial statements, an arbitration was commenced in Singapore against PT First Media Tbk ("First Media"), a 55.1% owned subsidiary of the Company, PT Ayunda Prima Mitra ("Ayunda"), First Media's wholly-owned subsidiary, and PT Direct Vision ("Direct Vision"), an associate of Ayunda, during the year ended 31st December 2008. The claim was approximately HK$1,911,000,000.

On 18th February 2010, the arbitral tribunal of the Singapore International Arbitration Centre delivered an interim final award (the "Interim Final Award") ruled in favour of the counterparties. First Media and Ayunda are, inter alia, jointly and severally under the Interim Final Award for the payment of (i) claims in restitution of approximately HK$744,415,000 of which Direct Vision has also been held jointly and severally liable together with First Media and Ayunda; and (ii) damages of approximately HK$5,372,000. Direct Vision is liable, among others, to make payment of an aggregate amount of approximately HK$1,785,066,000 with respect to claims in restitution to the intent that its liability will be reduced by any payment made pursuant to its joint and several liability with First Media and Ayunda as mentioned in (i) above. No provision has been made in the consolidated financial statements of First Media for the year ended 31st December 2009 in respect of the amount awarded. In light of the written advice received from First Media's Indonesian lawyer that the Interim Final Award could not be enforced in Indonesia and based on information available to the directors of the Company, details of which are set out in note 50(b) to the financial statements, the directors of the Company are of the view that no provision is required to be made in the Group's financial statements.

RSM Nelson Wheeler
Certified Public Accountants
Hong Kong

24th March 2010

Consolidated Income Statement

for the year ended 31st December 2009

	Note	2009 HK$'000	2008 HK$'000 (Restated)
Continuing operations			
Turnover	6	**537,147**	428,548
Cost of sales and services rendered		**(216,900)**	(206,107)
Gross profit		**320,247**	222,441
Other income	7	**379**	4,354
Waiver of other payables		**135,403**	–
Fair value loss on derivative financial instruments		**–**	(18,936)
Net foreign exchange gains/(losses)		**81,210**	(80,079)
Selling and distribution costs		**(36,759)**	(49,815)
General and administrative expenses		**(275,400)**	(190,618)
Profit/(loss) from operations		**225,080**	(112,653)
Finance costs	9	**(65,486)**	(53,194)
Profit/(loss) before tax		**159,594**	(165,847)
Income tax (expense)/credit	12	**(21,672)**	28,760
Profit/(loss) for the year from continuing operations		**137,922**	(137,087)
Discontinued operations			
Profit/(loss) for the year from discontinued operations	13	**159,515**	(88,271)
Profit/(loss) for the year	14	**297,437**	(225,358)
Attributable to:			
Owners of the Company	15	**162,234**	(119,656)
Minority interests		**135,203**	(105,702)
		297,437	(225,358)
Earnings/(loss) per share			
From continuing and discontinued operations			
– basic (HK cents)	17(a)	**3.20**	(2.36)
– diluted (HK cents)	17	**N/A**	N/A
From continuing operations			
– basic (HK cents)	17(b)	**2.54**	(1.69)
– diluted (HK cents)	17	**N/A**	N/A

Consolidated Statement of Comprehensive Income

for the year ended 31st December 2009

	Note	2009 HK$'000	2008 HK$'000
Profit/(loss) for the year		**297,437**	(225,358)
Other comprehensive income:			
Exchange differences on translating foreign operations		**36,076**	(452,859)
Fair value changes of available-for-sale financial assets		**21,799**	(53,606)
Cash flow hedges		**3,069**	(12,741)
Other comprehensive income for the year, net of tax	18	**60,944**	(519,206)
Total comprehensive income for the year		**358,381**	(744,564)
Attributable to:			
Owners of the Company		**186,950**	(212,346)
Minority interests		**171,431**	(532,218)
		358,381	(744,564)

Statements of Financial Position

as at 31st December 2009

	Note	AcrossAsia Group		Company	
		2009	2008	**2009**	2008
		HK$'000	HK$'000	**HK$'000**	HK$'000
Non-current assets					
Property, plant and equipment	19	**946,240**	2,191,347	**108**	180
Investment properties	20	**–**	85,021	**–**	–
Interests in subsidiaries	21	**–**	–	**431,719**	639,445
Interests in associates	22	**–**	16,239	**–**	–
Available-for-sale financial assets	23	**4,205**	92,618	**67**	–
Goodwill	24	**–**	161,491	**–**	–
Other intangible assets	25	**104,483**	69,674	**–**	–
Deferred tax assets	26	**18,847**	135,608	**–**	–
Non-current prepayments, deposits and receivables	27	**117,371**	1,864,956	**51,406**	–
Due from a related company	28	**–**	–	**–**	–
		1,191,146	4,616,954	**483,300**	639,625
Current assets					
Inventories	29	**–**	729,233	**–**	–
Trade receivables	30	**69,738**	203,046	**–**	–
Prepayments, deposits and other current assets	31	**93,143**	543,395	**1,992**	2,257
Financial assets at fair value through profit or loss	32	**–**	1,049,703	**–**	3,009
Pledged bank deposits	33	**–**	98,813	**–**	–
Bank and cash balances	33	**28,591**	1,611,420	**1,024**	1,789
		191,472	4,235,610	**3,016**	7,055
TOTAL ASSETS		**1,382,618**	8,852,564	**486,316**	646,680

Statements of Financial Position

as at 31st December 2009

	Note	AcrossAsia Group 2009 HK$'000	AcrossAsia Group 2008 HK$'000	Company 2009 HK$'000	Company 2008 HK$'000
Capital and reserves					
Share capital	34	**506,462**	506,462	**506,462**	506,462
Reserves	35	**(567,826)**	(87,237)	**(237,237)**	(79,748)
Equity attributable to owners of the Company		**(61,364)**	419,225	**269,225**	426,714
Minority interests		**86,852**	1,904,252	**–**	–
Total equity		**25,488**	2,323,477	**269,225**	426,714
Non-current liabilities					
Provisions	37	**10,129**	116,335	**–**	–
Interest-bearing borrowings	38	**551,163**	2,272,332	**202,800**	202,800
Notes payable	39	**1,929**	74,907	**–**	–
Finance lease payables	41	**9,447**	30,576	**–**	–
Due to a related company	42	**23,114**	–	**–**	–
Derivative financial instruments	43	**–**	24,674	**–**	–
Non-current other payables		**–**	85,519	**–**	–
Deferred tax liabilities	26	**–**	10,555	**–**	–
		595,782	2,614,898	**202,800**	202,800

Statements of Financial Position

as at 31st December 2009

	Note	AcrossAsia Group		Company	
		2009	2008	**2009**	2008
		HK$'000	HK$'000	**HK$'000**	HK$'000
Current liabilities					
Provisions	37	**–**	30,520	**–**	–
Interest-bearing borrowings	38	**351,295**	498,106	**–**	–
Notes payable	39	**223,609**	1,067,308	**–**	–
Bonds payable	40	**–**	312,580	**–**	–
Finance lease payables	41	**24,329**	24,000	**–**	–
Due to related companies	42	**4,000**	6,578	**4,000**	4,000
Derivate financial instruments	43	**–**	147,698	**–**	–
Trade payables	44	**76,028**	985,679	**–**	–
Receipts in advance		**19,260**	34,887	**–**	–
Other payables and accruals		**61,602**	805,975	**10,291**	13,166
Current tax payable		**1,225**	858	**–**	–
		761,348	3,914,189	**14,291**	17,166
Total liabilities		**1,357,130**	6,529,087	**217,091**	219,966
TOTAL EQUITY AND LIABILITIES		**1,382,618**	8,852,564	**486,316**	646,680
Net current (liabilities)/assets		**(569,876)**	321,421	**(11,275)**	(10,111)
Total assets less current liabilities		**621,270**	4,938,375	**472,025**	629,514

Albert Saychuan CHEOK
Director

Marshall Wallace COOPER
Director

Consolidated Statement of Changes in Equity

for the year ended 31st December 2009

	Attributable to owners of the Company										
	Issued capital	Share premium account	Capital reserve	Equity transactions of associates	Hedging reserve	Investment revaluation reserve	Translation reserve	Accumulated losses	Total	Minority interests	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 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
Total comprehensive income 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)
Changes in equity for the year	–	–	–	–	(6,517)	(2,781)	(83,392)	(119,956)	(212,346)	(552,895)	(765,241)
At 31st December 2008 and 1st January 2009	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
Total comprehensive income for the year	–	–	–	–	1,570	5,487	17,659	162,234	186,950	171,431	358,381
Transfer	–	593,039	(631,394)	–	–	–	–	38,355	–	–	–
Effect of distribution in specie (Note 45(b))	–	(211,598)	(833,408)	(7,659)	4,947	14,823	719,510	(354,154)	(667,539)	(1,988,831)	(2,656,370)
Changes in equity for the year	–	381,441	(1,464,802)	(7,659)	6,517	20,310	737,169	(153,565)	(480,589)	(1,817,400)	(2,297,989)
At 31st December 2009	506,462	414,318	–	–	–	–	798	(982,942)	(61,364)	86,852	25,488

Consolidated Statement of Cash Flows

for the year ended 31st December 2009

	2009 HK$'000	2008 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	**375,882**	(305,208)
Adjustments for:		
Finance costs	**397,154**	362,240
Share of (profits)/losses of associates	**(221)**	15,683
Interest income	**(134,844)**	(108,284)
Amortisation of bonds issuance cost	**1,929**	3,075
Amortisation of notes issuance cost	**16,025**	19,908
Depreciation	**393,915**	390,461
Amortisation of other intangible assets	**4,540**	5,334
Unrealised (gain)/loss on revaluation of financial assets at fair value through profit or loss	**(144,762)**	36,119
Gain on disposal of financial assets at fair value through profit or loss	**(3,801)**	–
Fair value (gain)/loss on derivative financial instruments	**(97,818)**	158,914
Waiver of other payables	**(135,403)**	–
Reversal of impairment of interests in associates	**–**	(14,195)
Allowance for amounts due from associates	**–**	9,579
Bad debts expense/allowance for receivables	**–**	1,100
Impairment of non-current receivables	**–**	4,616
Loss on disposal of property, plant and equipment	**5,778**	2,590
Increase in provisions	**42,431**	24,941
Operating profit before working capital changes	**720,805**	606,873
(Increase)/decrease in inventories	**(315,379)**	56,227
Decrease in trade receivables	**44,015**	16,150
Increase in prepayments, deposits and other current assets	**(474,353)**	(830,183)
Increase/(decrease) in amounts due to related companies	**24,798**	(3,238)
Increase in trade payables	**551,497**	40,695
(Decrease)/increase in receipts in advance	**(15,627)**	9,245
Increase in other payables and accruals	**150,132**	75,791
Cash generated from operations	**685,888**	(28,440)
Income taxes refunded	**(9,035)**	(4,092)
Net cash generated from/(used in) operating activities	**676,853**	(32,532)

Consolidated Statement of Cash Flows

for the year ended 31st December 2009

	2009 HK$'000	2008 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	**(271,841)**	(459,344)
Purchases of investment properties	**–**	(125)
Purchases of other intangible assets	**(95,466)**	(12,673)
Purchases of available-for-sale financial assets	**–**	(3,539)
Purchases of financial assets at fair value through profit or loss	**(157,791)**	(533,026)
Proceeds from disposal of property, plant and equipment	**6,412**	73,280
Proceeds from disposal of financial assets at fair value through profit or loss	**88,400**	–
Decrease/(increase) in pledged bank deposits	**(68,615)**	13,065
Interest received	**134,844**	108,284
Net cash used in investing activities	**(364,057)**	(814,078)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of interest-bearing borrowings and notes payable	**(2,704,981)**	(339,435)
New interest-bearing borrowings and notes payable	**3,153,711**	959,068
Issue of bonds payable	**402,309**	–
Repayment of bonds payable	**(342,503)**	(4,954)
Repayment of capital element of finance lease payables	**(26,962)**	(13,114)
Interest paid	**(397,154)**	(390,528)
Net cash outflow arising from distribution in specie	**(2,108,257)**	–
Dividends paid to minority interests	**–**	(20,677)
Net cash (used in)/generated from financing activities	**(2,023,837)**	190,360
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(1,711,041)**	(656,250)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,611,420**	2,638,136
Effect of foreign exchange rate changes, net	**128,212**	(370,466)
CASH AND CASH EQUIVALENTS AT END OF YEAR	**28,591**	1,611,420
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	**28,591**	1,611,420

Notes to the Financial Statements

for the year ended 31st December 2009

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 in Hong Kong 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 provision of cable TV, broadband internet and network services.

In the opinion of the Directors, as at 31st December 2009, Cyport Limited, a company incorporated in the British Virgin Islands, is the immediate parent of the Company; and Lippo Cayman Limited, a company incorporated in the Cayman Islands, is the ultimate parent of the Company.

2. GOING CONCERN BASIS

AcrossAsia Group had net current liabilities and net liabilities attributable to owners of the Company of approximately HK$569,876,000 and HK$61,364,000, respectively, as at 31st December 2009. These conditions indicate the existence of a material uncertainty concerning the Group's operations going forward as a going concern. Therefore, AcrossAsia Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

On 6th March 2010, PT First Media Tbk ("First Media"), a 55.1% owned subsidiary of the Company whose shares are listed on the Indonesia Stock Exchange, announced a proposed rights issue ("First Media Rights Issue"), details of which are set out in note 50(a) to the financial statements. In addition, the Company is currently in the process of negotiating with certain financial institutions to obtain additional credit facilities in order to finance the Company's participation in the First Media Rights Issue and to improve the liquidity position.

2. GOING CONCERN BASIS (Continued)

These financial statements have been prepared on a going concern basis, the validity of which depends upon the results of the First Media Rights Issue and AcrossAsia Group's ability to secure additional credit facilities and other funding measures to enable AcrossAsia Group to meet its financial obligations as and when they fall due in the foreseeable future. The Directors have evaluated all the relevant facts available to them and are of the opinion that it is appropriate to prepare the financial statements on a going concern basis. Should AcrossAsia Group be unable to continue as a going concern, adjustments would have to be made to the financial statements to adjust the value of AcrossAsia Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. 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 2009. IFRSs comprise International Financial Reporting Standards ("IFRS"); 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 policies, presentation of AcrossAsia Group's financial statements and amounts reported for the current year and prior years except as stated below.

(a) Presentation of Financial Statements

IAS 1 (Revised) "Presentation of Financial Statements" affects certain disclosures and presentation of the financial statements. The balance sheet is renamed as the statement of financial position and the cash flow statement is renamed as the statement of cash flows. All income and expenses arising from transactions with non-owners are presented in the income statement and statement of comprehensive income, and the total carried to the statement of changes in equity. The owner changes in equity are presented in the statement of changes in equity. IAS 1 (Revised) also requires disclosures of the reclassification adjustments and tax effects relating to each component of other comprehensive income for the year. IAS 1 (Revised) has been applied retrospectively.

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

(b) Operating Segments

IFRS 8 “Operating Segments” requires operating segments to be identified on the basis of internal reports about components of AcrossAsia Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Previously, IAS 14 “Segment Reporting” required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity’s ‘system of internal financial reporting to key management personnel’ serving as the starting point for the identification of such segments. IFRS 8 results in a redesignation of AcrossAsia Group’s reportable segments, but has had no impact on the reported results or financial position of AcrossAsia Group. IFRS 8 has been applied retrospectively.

The segment accounting policies under IFRS 8 are stated in Note 8 to the financial statements.

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.

4. 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 5 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 carrying amount together with any remaining goodwill relating to the subsidiary and also any related accumulated translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by AcrossAsia Group.

Minority interests represent the portion of interests of minority shareholders in the operating results and net assets of subsidiaries. Minority interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Minority interests are presented in the consolidated income statement and consolidated statement of comprehensive income as an allocation of profit or loss and total comprehensive income for the year between minority and owners of the Company (majority interests). Losses applicable to the minority in excess of the minority interests in the subsidiary's equity are allocated against the majority interests 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 majority interests until the minority's share of losses previously absorbed by the majority has been recovered.

In the Company's statement of financial position 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.

4. 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 profit or loss.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy (ac) below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 profit or loss.

AcrossAsia Group's share of an associate's post-acquisition profits or losses is recognised in the consolidated profit or loss, 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 carrying amount together with any remaining 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting form this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Foreign currency translation (Continued)

(iii) Translation on consolidation

The results and financial position of all AcrossAsia Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

– assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

– 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 recognised in the consolidated profit or loss 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.

4. 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 profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis 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%
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 the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

4. 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.

4. 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Leases

(i) Operating leases

Leases that do not substantially transfer to AcrossAsia Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense 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 statement of financial position 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Discontinued operations

A discontinued operation is a component of AcrossAsia Group, the operations and cash flows of which can be clearly distinguished from the rest of AcrossAsia Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale in accordance with IFRS 5, if earlier. It also occurs when the operation is abandoned.

When an operation is classified as discontinued, a single amount is presented in the income statement, which comprises:

– The post-tax profit or loss of the discontinued operation; and

– The post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group constituting the discontinued operation.

(k) 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 licences	4 to 5 years
Exclusive marketing and distribution	1 to 2 years
Patents	1 to 2 years
Wireless broadband licence	10 years

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) 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.

(m) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position 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 other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) 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.

(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 profit or loss.

(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 in other comprehensive income, until the investments are disposed of or there is objective evidence that the investments are impaired, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. Interest calculated using the effective interest method is recognised in profit or loss.

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale financial assets are not subsequently reversed through the income statement. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale financial assets are subsequently reversed and recognised in profit or loss 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) 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 profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss 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.

(p) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of AcrossAsia Group's cash management are also included as a component of cash and cash equivalents.

(q) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Borrowings

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

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

(s) 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 profit or loss on a straight-line basis over the terms of the guarantee contracts.

(t) 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.

(u) Equity instruments

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Derivative financial instruments and hedge accounting

Derivatives are initially recognised and 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 other comprehensive income. Any ineffective portion is recognised immediately in profit or loss.

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 other comprehensive income 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 other comprehensive income are recognised in profit or loss in the same period in which the hedged item affects profit or loss.

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 other comprehensive income 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 other comprehensive income is recognised in profit or loss for the period.

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) 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.

(y) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of AcrossAsia Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(aa) Taxation

Income tax expense represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because 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 end of the reporting period.

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. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries 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 the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of each reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ab) 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.

(ac) Impairment of assets

At the end of each reporting period, 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ac) Impairment of assets (Continued)

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 profit or loss, 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 profit or loss, 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ae) Events after the reporting period

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

5. 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) *Going concern basis*

These financial statements have been prepared on a going concern basis, the validity of which depends upon AcrossAsia Group's ability to secure additional credit facilities and other funding measures to enable AcrossAsia Group to meet its financial obligations as and when they fall due in the foreseeable future. Details are explained in Note 2 to financial statements.

(b) *Land and buildings*

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.

(c) *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.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

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. AcrossAsia Group 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.

6. TURNOVER

	2009 HK$'000	2008 HK$'000
Retail		
– Store sales	**6,918,276**	8,194,817
– Consigned sales	**2,985,003**	3,420,111
– Family entertainment center operations	**172,841**	253,142
– Wholesales	**56,423**	33,765
Less: sales returns, allowances and discounts	**(2,047,312)**	(2,237,990)
	8,085,231	9,663,845
Broadband Services		
– Insertion fees	**27,619**	28,752
– Subscription fees for cable television programmes	**190,084**	178,635
– Converter and fixed line broadband rental income, installation income and cable television membership joining fees	**23,156**	26,071
– Subscription fees for high speed internet access	**246,565**	153,557
– Corporate and other access network service fees	**49,723**	39,123
	537,147	426,138

6. TURNOVER (Continued)

	2009 HK$'000	2008 HK$'000
IT Solutions		
– Fees for distribution and maintenance of hardware equipment and software packages and service fees for technology solutions rendered	**291,848**	591,157
Others		
– Share administration fees	**1,416**	1,876
	8,915,642	10,683,016
Representing:		
Continuing operations	**537,147**	428,548
Discontinued operations (Note 13)	**8,378,495**	10,254,468
	8,915,642	10,683,016

7. OTHER INCOME

	2009 HK$'000	2008 HK$'000
Interest income	**134,844**	108,284
Rental income	**67,711**	89,418
Others	**8,516**	27,174
	209,823	224,876
Representing:		
Continuing operations	**379**	4,354
Discontinued operations (Note 13)	**209,444**	220,522
	209,823	224,876

8. SEGMENT INFORMATION

Operating segments

AcrossAsia Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies. In the manner consistent with the way in which information is reported internally to AcrossAsia Group's chief operating decision makers for the purposes of resources allocation and performance assessment, AcrossAsia Group has identified the following three reportable segments:

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

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

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

Segment profits or losses do not include corporate income and expenses such as finance costs, interest revenue, unrealised gain/(loss) on revaluation of financial assets at fair value through profit or loss and other items as listed on page 61. Segment assets mainly excluded interests in associates, available-for-sale financial assets, goodwill, deferred tax assets, amount due from a related company, financial assets at fair value through profit or loss and non-current prepayments, deposits and receivables for general administrative use. Segment liabilities mainly excluded amounts due to related companies, derivative financial instruments, deferred tax liabilities, current tax payable, corporate interest-bearing borrowings and other payables and accruals for general administrative use.

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

8. SEGMENT INFORMATION (Continued)

Information about reportable segment profit or loss, assets and liabilities:

		Discontinued operations		
	Broadband Services HK$'000	**Retail HK$'000**	**IT Solutions HK$'000**	**Total HK$'000**
Year ended 31st December 2009				
Revenue from external customers	**537,147**	**8,085,231**	**293,264**	**8,915,642**
Intersegment revenue	**–**	**1,465**	**10,268**	**11,733**
Segment profit	**111,835**	**172,839**	**85,456**	**370,130**
Interest revenue	**185**	**115,031**	**19,434**	**134,650**
Interest expense	**(49,130)**	**(266,718)**	**(64,950)**	**(380,798)**
Depreciation and amortisation	**(99,219)**	**(236,262)**	**(62,901)**	**(398,382)**
Share of profits of associates	**–**	**221**	**–**	**221**
Income tax expense	**(21,672)**	**(53,711)**	**(3,062)**	**(78,445)**
As at 31st December 2009				
Segment assets	**1,304,057**	**–**	**–**	**1,304,057**
Segment liabilities	**(1,097,876)**	**–**	**–**	**(1,097,876)**

		Discontinued operations		
	Broadband Services HK$'000	**Retail** HK$'000	**IT Solutions** HK$'000	**Total** HK$'000
Year ended 31st December 2008				
Revenue from external customers	428,548	9,663,845	590,623	10,683,016
Intersegment revenue	1,026	-	19,007	20,033
Segment profit	69,564	642,168	19,917	731,649
Interest revenue	1,959	82,735	23,280	107,974
Interest expense	(29,738)	(227,726)	(81,320)	(338,784)
Depreciation and amortisation	(76,108)	(273,541)	(44,018)	(393,667)
Share of losses of associates	–	–	(15,683)	(15,683)
Income tax (expense)/credit	28,760	55,416	(4,326)	79,850
As at 31st December 2008				
Segment assets	948,908	5,897,943	530,024	7,376,875
Segment liabilities	(924,879)	(4,014,510)	(1,155,279)	(6,094,668)
Interests in associates	–	16,239	–	16,239

8. SEGMENT INFORMATION (Continued)

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities:

	2009 HK$'000	2008 HK$'000
Revenue		
Total revenue of reportable segments	**8,927,375**	10,703,049
Elimination of intersegment revenue	**(11,733)**	(20,033)
Consolidated revenue	**8,915,642**	10,683,016
Profit or loss		
Total profit or loss of reportable segments	**370,130**	731,649
Unallocated amounts:		
Interest revenue	**134,844**	108,284
Interest expense	**(397,154)**	(362,240)
Depreciation and amortisation	**(398,455)**	(395,795)
Share of profits/(losses) of associates	**221**	(15,683)
Income tax (expense)/credit	**(78,445)**	79,850
Net foreign exchange gains/(losses)	**227,617**	(253,747)
Fair value gain/(loss) on derivative financial instruments	**97,818**	(158,914)
Unrealised gain/(loss) on revaluation of financial assets at fair value through profit or loss	**144,762**	(36,119)
Loss on disposal of property, plant and equipment	**(5,778)**	(2,590)
Gain on disposal of financial assets at fair value through profit or loss	**3,801**	–
Rental income	**67,711**	89,418
Waiver of other payables	**135,403**	-
Other corporate expenses	**(5,038)**	(9,471)
Consolidated profit/(loss) for the year	**297,437**	(225,358)

8. SEGMENT INFORMATION (Continued)

	2009 **HK$'000**	2008 HK$'000
Assets		
Total assets of reportable segments	**1,304,057**	7,376,875
Interests in associates	**-**	16,239
Available-for-sale financial assets	**4,205**	92,618
Goodwill	**-**	161,491
Deferred tax assets	**18,847**	135,608
Financial assets at fair value through profit or loss	**–**	1,049,703
Non-current prepayments, deposits and receivables for general administrative use	**55,509**	20,030
Consolidated total assets	**1,382,618**	8,852,564
Liabilities		
Total liabilities of reportable segments	**1,097,876**	6,094,668
Due to related companies	**27,114**	6,578
Derivative financial instruments	**–**	172,372
Deferred tax liabilities	**–**	10,555
Interest-bearing borrowings for corporate use	**202,800**	202,800
Other payables and accruals for general administrative use	**29,340**	42,114
Consolidated total liabilities	**1,357,130**	6,529,087

Geographical information:

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

Revenue from major customers

None of AcrossAsia Group's customers contributed 10% or more of AcrossAsia Group's revenue during the years ended 31st December 2008 and 2009 and accordingly, no major customers information is presented.

9. FINANCE COSTS

	2009 **HK$'000**	2008 HK$'000
Interest on:		
Bank loans and overdrafts	**199,721**	168,853
Notes payable wholly repayable within five years	**130,814**	139,615
Bonds payable wholly repayable within five years	**48,230**	50,217
Other borrowings wholly repayable within five years	**11,748**	34,741
Finance lease charges	**6,641**	2,347
Total borrowing costs	**397,154**	395,773
Amount capitalised	**–**	(33,533)
	397,154	362,240
Representing:		
Continuing operations	**65,486**	53,194
Discontinued operations (Note 13)	**331,668**	309,046
	397,154	362,240

10. DIRECTORS' REMUNERATION

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

	Fees		Salaries, allowances and benefits in kind		Performance related bonuses		Total	
	2009 HK$'000	2008 HK$'000	**2009 HK$'000**	2008 HK$'000	**2009 HK$'000**	2008 HK$'000	**2009 HK$'000**	2008 HK$'000
Executive Director								
Mr. Marshall Wallace COOPER	**10**	10	**1,916**	1,630	**–**	–	**1,926**	1,640
Non-executive Directors								
Dr. Cheng Wen CHENG (1)	**N/A**	66	**N/A**	–	**N/A**	–	**N/A**	66
Mr. Bunjamin Jonatan MAILOOL (1)	**N/A**	66	**N/A**	901	**N/A**	1,091	**N/A**	2,058
Independent non-executive Directors								
Mr. Albert Saychuan CHEOK	**197**	80	**–**	–	**–**	–	**197**	80
Dr. Boh Soon LIM	**127**	80	**–**	–	**–**	–	**127**	80
Mr. Kwong Yiu MAK (2)	**126**	63	**–**	–	**–**	–	**126**	63
	460	365	**1,916**	2,531	**–**	1,091	**2,376**	3,987

Notes:

(1) Resigned on 29th October 2008
(2) Appointed on 17th March 2008
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 the year ended 31st December 2009 (2008: Nil).

During the year ended 31st December 2009, 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 (2008: Nil).

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals in AcrossAsia Group during the years ended 31st December 2009 and 2008 included a Director whose emoluments are reflected in the analysis presented above. The emoluments of the remaining 4 individuals during the years ended 31st December 2009 and 2008 and the emoluments of the five highest paid individuals in AcrossAsia Group during the year are set out below.

	2009 **HK$'000**	2008 HK$'000
Salaries, allowances and benefits in kind	**14,413**	19,592
Performance related bonuses	**11,901**	8,403
	26,314	27,995

The remuneration falls within the following bands:

	Number of employees	
	2009 **HK$'000**	2008 HK$'000
HK$2,000,001 to HK$2,500,000	**1**	–
HK$2,500,001 to HK$3,000,000	**–**	1
HK$3,000,001 to HK$3,500,000	**1**	–
HK$3,500,001 to HK$4,000,000	**1**	1
HK$5,000,001 to HK$5,500,000	**–**	1
HK$6,000,001 to HK$6,500,000	**–**	1
HK$7,500,001 to HK$8,000,000	**1**	–
HK$9,000,001 to HK$9,500,000	**1**	–
HK$9,500,001 to HK$10,000,000	**–**	1
	5	5

During the year ended 31st December 2009, 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 (2008: Nil).

12. INCOME TAX EXPENSE/(CREDIT)

	2009 HK$'000	2008 HK$'000
Current tax-Overseas	9,402	30,836
Deferred tax (Note 26)	69,043	(110,686)
Income tax expense/(credit)	78,445	(79,850)
Representing:		
Continuing operations	21,672	(28,760)
Discontinued operations (Note 13)	56,773	(51,090)
	78,445	(79,850)

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 (2008: 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 28% (2008: 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:

	2009 %	2008 %
Indonesian income tax rate	28	(30)
Deferred tax assets not recognised	–	1
Non-deductible items	20	14
Non-taxable items	(27)	(12)
Others	–	1
Effective tax rate	21	(26)

13. DISCONTINUED OPERATIONS

On 24th July 2009, the Company announced a proposed reorganisation of AcrossAsia Group whereby the Company would declare a special dividend by way of a distribution in specie (the "Distribution") of all the Company's shareholdings in PT Multipolar Tbk ("Multipolar"). At the Extraordinary General Meeting of the Company held on 9th September 2009, the Distribution was approved by the shareholders of the Company. As a result, Multipolar and its subsidiaries including PT Matahari Putra Prima Tbk ("Matahari") (collectively "Multipolar Group") ceased to be subsidiaries of the Company in September 2009, and Retail and IT Solutions which have been operated by Multipolar Group became discontinued operations. The results of Multipolar Group ceased to be accounted for in the consolidated results of AcrossAsia Group following the Distribution.

The results of the discontinued operations for the nine months ended 30th September 2009, which have been included in consolidated profit or loss, are as follows:

	Nine months ended 30th September 2009 HK$'000	Year ended 31st December 2008 HK$'000
Turnover	**8,378,495**	10,254,468
Cost of goods sold and services rendered	**(6,205,183)**	(7,638,499)
Gross profit	**2,173,312**	2,615,969
Other income	**209,444**	220,522
Fair value gain/(loss) on derivative financial instruments	**97,818**	(139,978)
Net foreign exchange gains/(losses)	**146,407**	(173,668)
Selling and distribution costs	**(726,810)**	(822,770)
General and administrative expenses	**(1,352,436)**	(1,514,707)
Profit from operations	**547,735**	185,368
Finance costs	**(331,668)**	(309,046)
Share of profits/(losses) of associates	**221**	(15,683)
Profit before tax	**216,288**	(139,361)
Income tax (expense)/credit	**(56,773)**	51,090
Profit/(loss) for the period/year	**159,515**	(88,271)
Attributable to:		
Owners of the Company	**33,265**	(33,813)
Minority interests	**126,250**	(54,458)
	159,515	(88,271)

14. PROFIT/(LOSS) FOR THE YEAR

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

	Continuing operations		Discontinued operations		Total	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Cost of inventories sold	**–**	–	**5,979,751**	7,514,799	**5,979,751**	7,514,799
Depreciation of property, plant and equipment	**98,152**	78,236	**294,406**	310,749	**392,558**	388,985
Depreciation of investment properties	**–**	–	**1,357**	1,476	**1,357**	1,476
Amortisation of other intangible assets*	**1,139**	–	**3,401**	5,334	**4,540**	5,334
Staff costs, including Directors' remuneration:						
Salaries, allowances and benefits in kind	**77,766**	54,338	**530,048**	682,884	**607,814**	737,222
Retirement benefit scheme contributions (defined contribution schemes)	**329**	113	**–**	–	**329**	113
Provision for employees' benefits	**2,770**	2,024	**37,864**	42,236	**40,634**	44,260
	80,865	56,475	**567,912**	725,120	**648,777**	781,595
Reversal of impairment of interests in associates **	**–**	–	**–**	(14,195)	**–**	(14,195)
Allowance for amounts due from associates **	**–**	9,579	**–**	–	**–**	9,579
Impairment of other non-current receivables **	**–**	–	**–**	4,616	**–**	4,616
Unrealised (gain)/loss on revaluation of financial assets at fair value through profit or loss	**–**	–	**(144,762)**	36,119	**(144,762)**	36,119
Gain on disposal of financial assets at fair value through profit or loss	**–**	–	**(3,801)**	–	**(3,801)**	–
(Gain)/loss on disposal of property, plant and equipment	**(290)**	(5,382)	**6,068**	7,972	**5,778**	2,590
Minimum lease payments under operating leases in respect of land and buildings	**2,302**	22,455	**529,057**	564,928	**531,359**	587,383
Bad debts expense/allowance for receivables	**4,826**	1,100	**–**	–	**4,826**	1,100
Provision for customer loyalty program	**–**	–	**22,638**	–	**22,638**	18,750
Auditors' remuneration	**1,068**	1,564	**–**	1,857	**1,068**	3,421

* 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.

15. PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

The profit/(loss) for the year attributable to owners of the Company included a profit of approximately HK$54,109,000 (2008: loss of HK$115,343,000) which has been dealt with in the financial statements of the Company.

16. DIVIDENDS

	2009 **HK$'000**	2008 HK$'000
Special dividend of HK$0.04 (2008: HK$Nil) per ordinary share paid	**211,598**	–

The Company declared a special dividend of approximately HK$211,598,000 (2008: HK$Nil) which was satisfied by the Distribution. The effect of the Distribution on the consolidated financial statements of AcrossAsia Group is set out in Note 45(b) to the financial statements.

17. EARNINGS/(LOSS) PER SHARE

(a) From continuing operations and discontinued operations

The calculation of basic earnings (2008: loss) per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately HK$162,234,000 (2008: loss of HK$119,656,000) and 5,064,615,385 (2008: 5,064,615,385) ordinary shares in issue during the year.

(b) From continuing operations

The calculation of basic earnings (2008: loss) per share from continuing operations attributable to owners of the Company is based on the profit for the year from continuing operations attributable to owners of the Company of approximately HK$128,969,000 (2008: loss of HK$85,843,000) and the denominator used in (a) above.

(c) From discontinued operations

Basic earnings (2008: loss) per share from discontinued operations is HK0.66 cent (2008: HK0.67 cent) per share, based on the profit for period from discontinued operations attributable to owners of the Company of approximately HK$33,265,000 (2008: loss of HK$33,813,000) and the denominator used in (a) above.

No diluted earnings/(loss) per share are presented as the Company did not have any dilutive potential ordinary share during the years ended 31st December 2009 and 2008.

18. OTHER COMPREHENSIVE INCOME

Tax effects relating to each component of other comprehensive income for the year are as follows:

	2009			2008		
	Amount before tax HK$'000	**Tax HK$'000**	**Amount after tax HK$'000**	Amount before tax HK$'000	Tax HK$'000	Amount after tax HK$'000
Exchange differences on translating foreign operations	**36,076**	**–**	**36,076**	(452,859)	–	(452,859)
Fair value changes of available-for-sale financial assets	**30,276**	**(8,477)**	**21,799**	(74,513)	20,907	(53,606)
Cash flow hedges	**4,263**	**(1,194)**	**3,069**	(12,741)	-	(12,741)
Other comprehensive income	**70,615**	**(9,671)**	**60,944**	(540,113)	20,907	(519,206)

19. PROPERTY, PLANT AND EQUIPMENT

AcrossAsia Group

	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
Cost								
At 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 and 1st January 2009	718,179	290,237	1,672,005	887,696	21,816	295,241	23,216	3,908,390
Additions	90,219	92,465	262,574	131,589	444	11,209	29,286	617,786
Effect of the Distribution	(864,526)	(373,767)	(1,987,004)	–	(23,743)	(181,741)	(52,594)	(3,483,375)
Disposals	(5,549)	(24,541)	(44,751)	(353)	–	–	(1,228)	(76,422)
Transfers	–	–	–	–	(268)	268	–	–
Translation differences	72,444	32,125	174,104	159,350	1,751	38,431	3,539	481,744
At 31st December 2009	10,767	16,519	76,928	1,178,282	–	163,408	2,219	1,448,123

19. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land use rights and buildings	Building renovations and leasehold improve-ments	Office furniture, fixtures and equipment	Cable television distribution network	Construction in progress	Equipment for rent	Vehicles	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Accumulated depreciation and impairment losses								
At 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 and 1st January 2009	174,653	115,149	986,049	246,010	–	177,891	17,291	1,717,043
Charge for the year	28,399	49,732	185,741	60,109	–	40,481	28,096	392,558
Effect of the Distribution	(211,379)	(141,858)	(1,166,227)	–	–	(166,425)	(45,535)	(1,731,424)
Disposals	(5,548)	(23,765)	(33,791)	(35)	–	–	(1,093)	(64,232)
Translation differences	17,941	13,927	94,806	35,221	–	23,153	2,890	187,938
At 31st December 2009	4,066	13,185	66,578	341,305	–	75,100	1,649	501,883
Carrying amount								
At 31st December 2009	6,701	3,334	10,350	836,977	–	88,308	570	946,240
At 31st December 2008	543,526	175,088	685,956	641,686	21,816	117,350	5,925	2,191,347

At 31st December 2009, the carrying amount of property, plant and equipment held by AcrossAsia Group under finance leases amounted to approximately HK$46,307,000 (2008: HK$54,125,000).

19. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

	2009 **HK$'000**	2008 HK$'000
Medium term leases	**3,626**	440,258
Short term leases	**–**	100,996
Freehold	**3,075**	2,272
	6,701	543,526

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

Company	**Office furniture, fixtures and equipment** HK$'000
Cost	
At 1st January 2008	1,203
Additions	6
At 31st December 2008 and 1st January 2009	1,209
Additions	–
At 31st December 2009	1,209
Accumulated depreciation	
At 1st January 2008	982
Charge for the year	47
At 31st December 2008 and 1st January 2009	1,029
Charge for the year	72
At 31st December 2009	1,101
Carrying amount	
At 31st December 2009	108
At 31st December 2008	180

20. INVESTMENT PROPERTIES

AcrossAsia Group

	HK$'000
Cost	
At 1st January 2008	118,087
Additions	125
Translation differences	(17,542)
At 31st December 2008 and 1st January 2009	100,670
Effect of the Distribution	(113,097)
Translation differences	12,427
At 31st December 2009	–
Accumulated depreciation	
At 1st January 2008	16,646
Charge for the year	1,476
Translation differences	(2,473)
At 31st December 2008 and 1st January 2009	15,649
Charge for the year	1,357
Effect of the Distribution	(18,973)
Translation differences	1,967
At 31st December 2009	–
Carrying amount	
At 31st December 2009	–
At 31st December 2008	85,021
Fair value	
At 31st December 2009	–
At 31st December 2008	241,079

21. INTERESTS IN SUBSIDIARIES

	Company	
	2009	2008
	HK$'000	HK$'000
Listed shares, at cost	**216,387**	924,789
Unlisted shares, at cost	**9,862**	9,869
	226,249	934,658
Due from subsidiaries	**215,332**	281,873
	441,581	1,216,531
Less: Impairment losses	**(9,862)**	(577,086)
	431,719	639,445
Market value of listed shares	**357,723**	426,952

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 end of the reporting period.

21. INTERESTS IN SUBSIDIARIES (Continued)

Particulars of the principal subsidiaries as at 31st December 2009 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	
First Media (a)	Indonesia	Rp414,737,000,000	55.1	–	Operation of broadband network and cable television
PT Ayunda Prima Mitra (“Ayunda”)	Indonesia	Rp35,000,000	–	55.1	Investment holding
PT AsiaNet Multimedia	Indonesia	US$1,333,333	95.0	–	Investment holding
PT Natrindo Global Telekomunikasi	Indonesia	Rp25,000,000,000	–	76.0	Operation of wireless VSAT network
PT Inti Mitratama Abadi	Indonesia	Rp60,000,000,000	–	50.7	Investment holding
PT Link Net	Indonesia	Rp65,000,000,000	–	55.1	Internet service provider
PT Tirta Mandiri Sejahtera	Indonesia	Rp5,000,000	–	76.0	Investment holding
PT First Media News	Indonesia	Rp2,500,000,000	–	55.1	Investment holding
PT First Media Production	Indonesia	Rp2,500,000,000	–	54.6	Film production and video recording

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

Notes:

(a) First Media is listed on the Indonesia Stock Exchange.

(b) None of the subsidiaries had any loan capital in issue at any time during the year ended 31st December 2009 (2008: Nil).

22. INTERESTS IN ASSOCIATES

	AcrossAsia Group	
	2009	2008
	HK$'000	HK$'000
Share of net assets	**–**	22,757
Less: Impairment losses	**–**	(6,518)
	–	16,239

Particulars of the principal associates as at 31st December 2009 are as follows:

Name	Place of incorporation and operations	Nominal value of issued ordinary share capital	Percentage of ownership interest attributable to AcrossAsia Group Direct	Indirect	Principal activities
Canwick Limited	British Virgin Islands	US$2	50.0	–	Investment holding
PT Direct Vision ("Direct Vision")	Indonesia	Rp5,000,000,000	–	27.0	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.

23. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	AcrossAsia Group		Company	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Unit trust, at fair value				
Listed outside Hong Kong	**–**	84,104	**–**	–
Equity securities, at fair value				
Listed outside Hong Kong	**67**	3,058	**67**	–
Unlisted equity securities, at cost	**12,739**	75,885	**–**	–
Less: Impairment losses	**(8,601)**	(70,429)	**–**	–
	4,138	5,456	**–**	–
	4,205	92,618	**67**	–

24. GOODWILL

	AcrossAsia Group	
	2009	2008
	HK$'000	HK$'000
Cost		
At 1st January	**180,441**	211,923
Effect of the Distribution	**(180,441)**	–
Translation differences	**–**	(31,482)
At 31st December	**–**	180,441
Accumulated impairment losses		
At 1st January	**18,950**	22,256
Effect of the Distribution	**(18,950)**	–
Translation differences	**–**	(3,306)
At 31st December	**–**	18,950
Carrying amount		
At 31st December	**–**	161,491

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

	2009	2008
	HK$'000	HK$'000
Retail:		
Matahari	**–**	137,813
Broadband Services:		
First Media	**–**	23,678
	–	161,491

25. OTHER INTANGIBLE ASSETS

AcrossAsia Group

	Wireless broadband licence HK$'000	Application software licences HK$'000	Exclusive marketing and distribution rights HK$'000	Patents HK$'000	Total HK$'000
Cost					
At 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 and 1st January 2009	–	86,682	1,074	978	88,734
Additions	95,466	–	–	–	95,466
Effect of the Distribution	–	(91,058)	(1,128)	(1,028)	(93,214)
Translation differences	10,280	4,376	54	50	14,760
At 31st December 2009	105,746	–	–	–	105,746
Accumulated amortisation and impairment losses					
At 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 and 1st January 2009	–	17,010	1,074	976	19,060
Amortisation for the year	1,140	3,399	–	1	4,540
Effect of the Distribution	–	(21,423)	(1,128)	(1,027)	(23,578)
Translation differences	123	1,014	54	50	1,241
At 31st December 2009	1,263	–	–	–	1,263
Carrying amount					
At 31st December 2009	104,483	–	–	–	104,483
At 31st December 2008	–	69,672	–	2	69,674

Wireless broadband licence is used for AcrossAsia Group's broadband services segment. The remaining amortisation period of the wireless broadband licence is 9.9 years.

26. DEFERRED INCOME TAX

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

	Accelerated tax depreciation	Allowance for receivables	Tax losses	Allowance for store restructuring	Unrealised loss on change in fair value of derivative financial instruments and net foreign exchange losses	Others	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 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 12)	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 and 1st January 2009	(52,139)	24,562	50,895	4,406	104,270	(6,941)	125,053
(Charge)/credit to income statement for the year (Note 12)	(9,221)	(625)	(23,952)	10,206	(85,474)	40,023	(69,043)
Charge to equity	–	–	–	–	–	(9,671)	(9,671)
Effect of the Distribution	72,952	(24,142)	(31,563)	(15,413)	(29,506)	(18,462)	(46,134)
Translation differences	(6,531)	3,089	4,620	801	10,710	5,953	18,642
At 31st December 2009	5,061	2,884	–	–	–	10,902	18,847

26. DEFERRED INCOME TAX (Continued)

The following is the analysis of the deferred tax balances (after offset) for statement of financial position:

	AcrossAsia Group	
	2009	2008
	HK$'000	HK$'000
Deferred tax assets	**18,847**	135,608
Deferred tax liabilities	**–**	(10,555)
	18,847	125,053

Deferred tax assets that are expected to realise in the next accounting year amounted to approximately HK$317,000 (2008: HK$44,309,000).

27. NON-CURRENT PREPAYMENTS, DEPOSITS AND RECEIVABLES

	AcrossAsia Group		Company	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Rental and other deposits	**21,258**	92,048	**–**	–
Prepaid rent	**–**	551,313	**–**	–
Advance payments for acquisition of property, plant and equipment	**23,630**	207,474		
Deposits for investments	**–**	20,138	**–**	–
Loans to employees (Note)	**539**	346	**–**	–
Prepaid expenses and others	**71,944**	993,637	**51,406**	–
	117,371	1,864,956	**51,406**	–

Note:

The loans to employees are unsecured and interest-free.

28. DUE FROM A RELATED COMPANY

	AcrossAsia Group	
	2009	2008
	HK$'000	HK$'000
Direct Vision	**9,579**	9,579
Less: Impairment losses	**(9,579)**	(9,579)
	–	–

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 end of the reporting period.

29. INVENTORIES

	AcrossAsia Group	
	2009	2008
	HK$'000	HK$'000
Merchandise	**–**	695,743
Finished goods	**–**	33,490
	–	729,233

Merchandise represent inventory items for retailing. These consisted 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.

30. 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 were mainly on cash basis, either in cash, debit card or credit card payments. There was no fixed credit policy as their major trade receivables arise from credit card sales and all age fall into one month.

30. TRADE RECEIVABLES (Continued)

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

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

	AcrossAsia Group	
	2009	2008
	HK$'000	HK$'000
Within 3 months	**37,176**	171,940
3 to 6 months	**7,534**	8,480
Over 6 months	**25,028**	22,626
	69,738	203,046

As of 31st December 2009, trade receivables of approximately HK$62,926,000 (2008: HK$188,186,000) 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	
	2009	2008
	HK$'000	HK$'000
Within 3 months	**36,439**	166,642
3 to 6 months	**7,409**	8,029
Over 6 months	**19,078**	13,515
	62,926	188,186

At 31st December 2009, 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$11,197,000 (2008: HK$18,156,000). These balances are unsecured, interest-free and are repayable principally in accordance with normal trading terms.

At 31st December 2009, trade receivables with an aggregate carrying value of approximately HK$68,838,000 (2008: HK$85,417,000) were pledged as security for certain banking and other borrowing facilities of AcrossAsia Group.

31. PREPAYMENTS, DEPOSITS AND OTHER CURRENT ASSETS

	AcrossAsia Group		Company	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Deposits	**31**	31	**31**	31
Prepaid operating expenses	**91,792**	117,368	**1,961**	2,226
Prepaid taxes	**371**	45,673	**–**	–
Advances/deposits to suppliers and contractors	**4**	5,617	**–**	–
Other receivables	**945**	374,706	**–**	–
	93,143	543,395	**1,992**	2,257

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

32. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	AcrossAsia Group		Company	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Held for trading:				
Equity securities listed outside Hong Kong, at market value	**–**	223,089	**–**	–
Debt securities listed outside Hong Kong, at market value	**–**	29,892	**–**	–
Managed funds, at market value	**–**	784,217	**–**	–
Mutual funds, at market value	**–**	12,505	**–**	–
Listed warrants of subsidiaries, at fair value	**–**	–	**–**	3,009
	–	1,049,703	**–**	3,009

33. 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 2009, the bank and cash balances (including pledged bank deposits) of AcrossAsia Group denominated in Indonesian Rupiah amounted to approximately HK$25,498,000 (2008: HK$1,198,529,000).

34. SHARE CAPITAL

	2009	2008
	HK$'000	HK$'000
Authorised:		
150,000,000,000 (2008: 150,000,000,000)		
ordinary shares of HK$0.10 each	**15,000,000**	15,000,000
Issued and fully paid:		
5,064,615,385 (2008: 5,064,615,385)		
ordinary shares of HK$0.10 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.

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 demonstrated continuing compliance with the 15% limit throughout the year.

35. RESERVES

(a) AcrossAsia Group

The amounts of AcrossAsia Group's reserves and the movements therein are presented in the consolidated statement of comprehensive income and 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 2008	32,877	631,394	(628,676)	35,595
Loss for the year	–	–	(115,343)	(115,343)
At 31st December 2008 and 1st January 2009	32,877	631,394	(744,019)	(79,748)
Transfer	593,039	(631,394)	38,355	–
Profit for the year	–	–	54,109	54,109
Special dividend paid	(211,598)	–	–	(211,598)
At 31st December 2009	414,318	–	(651,555)	(237,237)

(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").

35. RESERVES (Continued)

(c) Nature and purpose of reserves (Continued)

(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 4(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 end of the reporting period and is dealt with in accordance with the accounting policy in Note 4(n)(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 4(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 4(v) to the financial statements.

36. 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-time 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 2009, 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.

36. SHARE OPTION SCHEMES (Continued)

(a) Pre-IPO Plan (Continued)

The following options were outstanding under the Pre-IPO Plan during the year ended 31st December 2009:

	Number of underlying shares		
Participant	As at 1st January 2009	Lapsed during 2009	As at 31st December 2009
Directors (including a resigned Director)	13,505,000	(13,150,000)	355,000
Others	11,584,000	–	11,584,000
Total	25,089,000	(13,150,000)	11,939,000

Options granted under the Pre-IPO in respect of 11,939,000 shares of the Company represented approximately 0.24% of the enlarged issued share capital thereof. The options outstanding at the end of the year have a remaining contractual life of 0.5 year (2008: 1.5 years).

No options under the Pre-IPO Plan were exercised or cancelled during the year ended 31st December 2009.

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.

36. SHARE OPTION SCHEMES (Continued)

(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.

No options had been granted under the 2002 Scheme since the adoption date and up to 31st December 2009.

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.

37. PROVISIONS

AcrossAsia Group

	Customer loyalty program HK$'000	Employees' benefits (Note) HK$'000	Total HK$'000
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
At 1st January 2009	15,549	131,306	146,855
Addition provisions	22,638	40,634	63,272
Provisions used	(5,975)	(14,866)	(20,841)
Effect of the Distribution	(32,996)	(154,558)	(187,554)
Translation differences	784	7,613	8,397
At 31st December 2009	–	10,129	10,129
Analysed as:			
Current liabilities	–	–	–
Non-current liabilities	–	10,129	10,129
	–	10,129	10,129

37. PROVISIONS (Continued)

Note:

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 2009 prepared by an independent actuary, adopting the projected-unit-credit method.

The amount recognised in the statement of financial position is as follows:

	AcrossAsia Group	
	2009	2008
	HK$'000	HK$'000
Present value of funded obligations	**15,490**	134,695
Net unrecognised actuarial (losses)/gains	**(5,241)**	348
Unrecognised past service cost	**(120)**	(3,737)
	10,129	131,306

Expense recognised in profit or loss is as follows:

	AcrossAsia Group	
	2009	2008
	HK$'000	HK$'000
Current service cost	**15,520**	16,197
Interest cost	**14,183**	13,531
Net actuarial losses recognised	**342**	2,352
Past service cost recognised	**10,589**	12,180
	40,634	44,260

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

37. PROVISIONS (Continued)

The principal actuarial assumptions adopted as at 31st December 2009 (expressed as weighted average) are as follows:

	AcrossAsia Group	
	2009	2008
Discount rate at 31st December	**10.75%**	12%
Expected rate of return on plan assets	**N/A**	N/A
Future salary increases	**10.0%**	7.5%-10.0%
Future pension increases	**N/A**	N/A

38. INTEREST-BEARING BORROWINGS

	AcrossAsia Group		Company	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Bank loans:				
Secured	**37,060**	808,082	**–**	–
Unsecured	**829,853**	1,874,815	**202,800**	202,800
	866,913	2,682,897	**202,800**	202,800
Other borrowings:				
Unsecured	**35,545**	87,541	**–**	–
	902,458	2,770,438	**202,800**	202,800

38. INTEREST-BEARING BORROWINGS (Continued)

Interest-bearing borrowings are repayable as follows:

	AcrossAsia Group		Company	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Bank loans:				
Within one year	**315,750**	410,565	**–**	–
In the second year	**348,363**	1,204,090	**–**	–
In the third to fifth years, inclusive	**202,800**	1,068,242	**202,800**	202,800
	866,913	2,682,897	**202,800**	202,800
Other borrowings:				
Within one year	**35,545**	87,541	**–**	–
	902,458	2,770,438	**202,800**	202,800
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(351,295)**	(498,106)	**–**	–
Amount due for settlement after 12 months	**551,163**	2,272,332	**202,800**	202,800

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

	AcrossAsia Group		Company	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Bank loans:				
United States dollar	**829,853**	1,393,247	**202,800**	202,800
Indonesian Rupiah	**37,060**	1,289,650	**–**	–
	866,913	2,682,897	**202,800**	202,800
Other borrowings:				
United States dollar	**4,179**	3,996	**–**	–
Indonesian Rupiah	**31,366**	83,545	**–**	–
	35,545	87,541	**–**	–

38. INTEREST-BEARING BORROWINGS (Continued)

The effective interest rates were as follows:

	AcrossAsia Group		Company	
	2009	2008	**2009**	2008
Bank loans:				
United States dollar	**1.23%-3.4%**	5.4%-9.5%	**1.23%**	5.45%
Indonesian Rupiah	**16.5%**	11%-16.75%	**–**	–
Other borrowings:				
United States dollar	**6.5%**	5.5%-6.25%	**–**	–
Indonesian Rupiah	**16%-18%**	13.75%-17%	**–**	–

39. NOTES PAYABLE

	AcrossAsia Group	
	2009	2008
	HK$'000	HK$'000
Within one year	**223,609**	1,067,308
In the second year	**1,929**	52,628
In the third to fifth years, inclusive	**–**	22,279
	225,538	1,142,215
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(223,609)**	(1,067,308)
Amount due for settlement after 12 months	**1,929**	74,907

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

	AcrossAsia Group	
	2009	2008
	HK$'000	HK$'000
United States dollar	**27,095**	966,222
Indonesian Rupiah	**198,443**	175,993
	225,538	1,142,215

39. NOTES PAYABLE (Continued)

The effective interest rates were as follows:

	AcrossAsia Group	
	2009	2008
United States dollar	**9%**	4%-9.5%
Indonesian Rupiah	**8%-16.5%**	11.4%-18%

40. BONDS PAYABLE

	AcrossAsia Group	
	2009	2008
	HK$'000	HK$'000
Nominal value	**–**	313,542
Unrealised bonds issuance cost	**–**	(962)
	–	312,580
Bonds payable are repayable as follows:		
Within one year	**–**	312,580

41. FINANCE LEASE PAYABLES

AcrossAsia Group

	Minimum lease payments		Present value of minimum lease payments	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Within one year	**25,873**	30,433	**24,329**	24,000
In the second to fifth years, inclusive	**14,739**	33,037	**9,447**	30,576
	40,612	63,470	**33,776**	54,576
Less: Future finance charges	**(6,836)**	(8,894)		
Present value of lease obligations	**33,776**	54,576		
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(24,329)**	(24,000)		
Amount due for settlement after 12 months	**9,447**	30,576		

The lease terms are ranging from 1 to 3 years (2008: 1 to 5 years). At 31st December 2009, the effective borrowing rates are ranging from 10.26%-20% (2008: 11.5%-23.0%). 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	
	2009	2008
	HK$'000	HK$'000
Indonesian Rupiah	**33,776**	53,640
United States dollar	**–**	936
	33,776	54,576

42. 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 (2008: HK$4,000,000) which bears interest at Hong Kong dollar prime lending rate plus 1% per annum and is repayable within twelve months from the end of the reporting period.

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 within twelve months from the end of the reporting period.

43. DERIVATIVE FINANCIAL INSTRUMENTS

	AcrossAsia Group	
	2009	2008
	HK$'000	HK$'000
Cross currency rate swap, at fair value	–	(350,509)
Foreign exchange option contracts, at fair value	–	168,417
Interest rate swap, at fair value	–	(12,741)
Non-deliverable foreign exchange forward contract, at fair value	–	48,754
Cash-settled call options granted, at fair value	–	(26,293)
	–	(172,372)
Analysed as:		
Current	–	(147,698)
Non-current	–	(24,674)
	–	(172,372)

The fair values of derivative financial instruments at the date of inception and at the end of each reporting period are estimated using an option pricing model and the change in fair value is recognised in profit or loss.

44. TRADE PAYABLES

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

	AcrossAsia Group	
	2009	2008
	HK$'000	HK$'000
Within 3 months	**38,816**	950,362
3 to 6 months	**7,090**	12,439
Over 6 months	**30,122**	22,878
	76,028	985,679

At 31st December 2009, 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$4,359,000 (2008: HK$1,109,000). These balances are unsecured, interest-free and are repayable principally in accordance with normal trading terms.

45. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year ended 31st December 2009, additions to property, plant and equipment of AcrossAsia Group during the year of approximately HK$345,945,000 (2008: HK$293,504,000) were net off against advance payments for acquisition of property, plant and equipment.

45. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

(b) Effect of the Distribution

The net assets at the date of Distribution were as follows:

	HK$'000
Property, plant and equipment (Note 19)	1,751,951
Investment properties (Note 20)	94,124
Interests in associates	16,460
Available-for-sale financial assets	133,050
Goodwill (Note 24)	161,491
Other intangible assets (Note 25)	69,636
Deferred tax assets (Note 26)	46,134
Non-current prepayments, deposits and receivables	2,031,279
Inventories	1,044,612
Trade receivables	89,293
Prepayments, deposits and other current assets	294,966
Financial assets at fair value through profit or loss	1,338,348
Pledged bank deposits	167,428
Bank and cash balances	2,108,257
Provisions (Note 37)	(187,554)
Interest-bearing borrowings	(1,961,955)
Notes payable	(1,730,246)
Bonds payable	(414,465)
Due to a related company	(4,262)
Derivative financial instruments	(86,407)
Non-current other payables	(323,477)
Trade payables	(1,461,148)
Other payables and accruals	(521,144)
	2,656,370
Minority interests	(1,988,831)
Effect of the Distribution on net assets attributable to owners of the Company	667,539
Net cash outflow arising from the Distribution:	
Cash and cash equivalents disposed of	2,108,257

In the consolidated financial statements, the Distribution is recognised at the carrying amount of the net assets of the Multipolar Group less minority interests and related reserves. No gain or loss is recognised on the Distribution.

46. LEASE COMMITMENTS

At 31st December 2009 the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	AcrossAsia Group	
	2009	2008
	HK$'000	HK$'000
Within one year	**8,049**	477,498
In the second to fifth years, inclusive	**–**	1,658,696
After five years	**–**	1,330,380
	8,049	3,466,574

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.

47. 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$67,000 (2008: HK$3,058,000) and listed unit trust of approximately HK$Nil (2008: HK$84,104,000), which are stated at quoted market price, their carrying amounts approximate their fair values. For long term investments in unlisted shares of approximately HK$4,138,000 (2008: HK$5,456,000), 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.

47. FINANCIAL INSTRUMENTS (Continued)

Fair value estimation (Continued)

Non-current financial assets and financial liabilities (Continued)

Except as disclosed in the following table, the carrying amounts of AcrossAsia Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values. 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**	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Long term floating rate borrowings, non-current portion	**551,163**	1,857,860	**551,163**	1,885,199

47. 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 2009				
Fixed rate				
Other borrowings	**35,545**	**–**	**–**	**35,545**
Notes payable	**223,609**	**1,929**	**–**	**225,538**
Finance lease payables	**24,329**	**8,978**	**469**	**33,776**
Floating rate				
Bank and cash balances	**28,591**	**–**	**–**	**28,591**
Bank loans	**315,750**	**348,363**	**202,800**	**866,913**
Due to a related company	**4,000**	**–**	**–**	**4,000**
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

47. 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.

Fair values

The following disclosures of fair value measurements use a fair value hierarchy which has 3 levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Disclosures of level in fair value hierarchy at 31st December 2009:

	Fair value measurement using:			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
Available-for-sale financial assets				
Equity securities	**67**	**–**	**4,138**	**4,205**

47. FINANCIAL INSTRUMENTS (Continued)

Disclosures of level in fair value hierarchy at 31st December 2008:

	Fair value measurement using			
Description	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets at fair value through profit or loss				
Equity securities	223,089	–	–	223,089
Debt securities	29,892	–	–	29,892
Managed funds	784,217	–	–	784,217
Mutual funds	12,505	–	–	12,505
	1,049,703	–	–	1,049,703
Available-for-sale financial assets				
Unit trust	84,104	–	–	84,104
Equity securities	3,058	–	5,456	8,514
	87,162	–	5,456	92,618
Total	1,136,865	–	5,456	1,142,321

48. FINANCIAL RISK MANAGEMENT

The main financial risks faced by AcrossAsia Group are credit risk, foreign currency risk, interest rate risk and liquidity 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.

48. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

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.

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 statement of financial position 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 2009, if Indonesian Rupiah had weakened/strengthened 10% against the United States dollar with all other variables held constant, consolidated profit after tax (2008: loss after tax) for the year would have been approximately HK$50,020,000 (2008: HK$206,895,000) lower/higher, (2008: higher/lower) 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.

48. 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 2009, approximately 25% of AcrossAsia Group's interest-bearing borrowings were arranged at fixed rates.

Further details of interest rate risk of AcrossAsia Group are set out in Note 47 to the financial statements.

At 31st December 2009, if interest rates at that date had been 100 basis points lower/higher with all other variables held constant, consolidated profit after tax (2008: loss after tax) for the year would have been HK$6,242,000 (2008: HK$15,287,000) higher/lower (2008: lower/higher), 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. AcrossAsia Group's total borrowings and notes payable of approximately HK$551,163,000 and HK$1,929,000, respectively, at the end of the reporting period 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.

48. 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 2009				
Bank loans	**331,340**	**372,454**	**212,963**	**916,757**
Other borrowings	**41,149**	**–**	**–**	**41,149**
Notes payable	**250,121**	**2,431**	**–**	**252,552**
Finance lease payables	**25,873**	**14,007**	**732**	**40,612**
Due to a related company	**4,240**	**–**	**29,181**	**33,421**
Trade payables	**76,028**	**–**	**–**	**76,028**
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

49. 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	
	2009	2008
	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
– PT Lippo Karawaci Tbk	**4,408**	5,112
Rental income from:		
– PT Lippo Karawaci Tbk	**2,419**	2,365
Marketing expenses charged by:		
– Avel Pty. Limited, Australia	**3,985**	3,944
Insurance expense charged by:		
– PT Lippo General Insurance	**782**	1,397

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

50. EVENTS AFTER THE REPORTING PERIOD

(a) First Media Rights Issue

On 6th March 2010, First Media announced its proposed rights issue on the basis of 11 new rights shares for every 10 existing shares of First Media held by a qualifying shareholder of First Media at an exercise price of Rp500 (equivalent to approximately HK$0.42) per rights share.

The Company has conditionally agreed to First Media to subscribe for such number of rights shares as to maintain its existing shareholding of 55.1% in the enlarged issued share capital of First Media. The Company's subscription of Rp251,422,444,000 (equivalent to approximately HK$210,430,000) will be funded by borrowings. The Company is currently in the process of negotiating with certain financial institutions to obtain additional credit facilities in order to finance the Company's participation in the First Media Rights Issue.

50. EVENTS AFTER THE REPORTING PERIOD (Continued)

(a) First Media Rights Issue (Continued)

The net proceeds from the First Media Rights Issue (out of the gross amount of approximately Rp456,200,000,000 (equivalent to approximately HK$381,820,000)) will be used as follows:

(a) to repay short term promissory notes and a short term bank loan with the intention to enhance the capital structure;

(b) to improve the performance of First Media by reducing the interest expense; and

(c) for working capital or business development of First Media.

(b) Legal claims and awards

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") filed a notice of arbitration against First Media, Ayunda, a wholly-owned subsidiary of First Media, and Direct Vision (the "Arbitration Notice") pursuant to the rules of the Singapore International Arbitration Centre ("SIAC"). In this Arbitration Notice, Astro Group claimed among other things, payment for monies amounting to approximately HK$1,911,000,000. As proceedings pursuant to the Arbitration Notice and any arbitral award made thereunder are subject to confidentiality under the rules of the SIAC, only limited information can be disclosed.

On 7th May 2009, the arbitral tribunal of the SIAC issued an award on preliminary issues of jurisdiction (the "Award on Preliminary Issues") which was subsequently determined by the Central Jakarta District Court to be non-executable (non eksekuatur) in Indonesia on 28th October 2009.

On 18th February 2010, the arbitral tribunal of the SIAC delivered an interim final award (the "Interim Final Award"). First Media and Ayunda are, inter alia, jointly and severally liable under the Interim Final Award for the following:

(i) with respect to claims in restitution, the payment of any aggregate amount of approximately HK$744,415,000; and

(ii) with respect to damages, the payment in the aggregate amount of approximately HK$5,372,000.

50. EVENTS AFTER THE REPORTING PERIOD (Continued)

(b) Legal claims and awards (Continued)

It should be noted that Direct Vision has also been held jointly and severally liable with First Media and Ayunda for the payment of the awards as mentioned in item (i) above. As a clarification, under the Interim Final Award, Direct Vision is liable, among others, to make payment of an aggregate amount of approximately HK$1,785,066,000 with respect to claims in restitution to the intent that its liability will be reduced by any payment made pursuant to its joint and several liability with First Media and Ayunda as mentioned in paragraph (i) above.

Based on a legal opinion obtained from First Media's Indonesian lawyer, the Interim Final Award is against the Indonesian law and therefore, could not be enforced in Indonesia according to the New York Convention and the Indonesia Regulation of Arbitration No. 30/1999. Moreover, the Interim Final Award is a continuance of the Award on Preliminary Issues as the Award on Preliminary Issues was determined to be unenforceable by the Central Jakarta District Court. Accordingly, First Media is of the opinion that, based on its Indonesian lawyer's advices, the Interim Final Award could not be enforced in Indonesia and First Media is not legally liable for execution of the Interim Final Award under the applicable laws of Indonesia. As a result, no provision has been made in the consolidated financial statements of First Media for the year ended 31st December 2009 in respect of the amount awarded. In light of the written advice received from First Media's Indonesian lawyer that the SIAC's award could not be enforced in Indonesia and based on the information available to the Directors of the Company, the Directors are of the view that no provision is required to be made in the consolidated financial statements of AcrossAsia Group for the year ended 31st December 2009.

(c) Capital reduction

On 24th July 2009, the Company announced a proposed capital reduction by reducing the nominal value of all issued shares of the Company from HK$0.10 each to HK$0.01 each and cancelling paid up capital of HK$0.09 on each issued share. The credit arising from such reduction was applied towards cancelling the accumulated losses of the Company with the balance (if any) to be transferred to the distributable capital reserve or share premium account of the Company.

The Grand Court of the Cayman Islands approved the reduction of the issued share capital of the Company on 26th February 2010. After registration of the order approved by the Court at the Registrar of Companies in the Cayman Islands, the capital reduction became effective on 23rd March 2010.

51. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation of IFRS 5.

52. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 24th March 2010.

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 Monday, 10th May 2010 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 2009.

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;

(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."

By Order of the Board
Kelsch Woon Kun WONG
Company Secretary

Hong Kong, 31st March 2010

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