

Half-year Report 2010

ACROSS ASIA LIMITED

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

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This report, for which the Directors of AcrossAsia Limited (the “Company”) (namely, executive Director: Mr. Marshall Wallace COOPER; and independent non-executive Directors: Mr. Albert Saychuan CHEOK, Dr. Boh Soon LIM and Mr. Thomas Yee Man LAW) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

HALF-YEAR REPORT 2010

For the six months ended 30th June 2010

HIGHLIGHTS

- AcrossAsia Group recorded an increase in revenue of 33.4% to HK\$337.1 million compared to HK\$252.8 million for the same period in 2009 due to a rapid growth in number of Internet service subscribers and demand for data communication service.
- AcrossAsia Group's gross profit increased by 94.4% to HK\$255.1 million from HK\$131.2 million for the same period in 2009.
- Gross profit margin increased to 75.7% from 51.9% for the same period in 2009.
- AcrossAsia Group recorded a profit from operations of HK\$47.5 million compared to HK\$31.6 million for the same period in 2009.
- Total operating expenses (excluding other income and expenses) increased to HK\$238.1 million from HK\$139.2 million for the same period in 2009 due mainly to fees paid on new WiMAX business.
- AcrossAsia Group recorded a reduced loss attributable to owners of the Company of HK\$1.5 million compared to a loss of HK\$8.9 million for the same period in 2009.

HALF-YEAR RESULTS (UNAUDITED)

The Directors of AcrossAsia Limited (the "Company") announce the unaudited condensed consolidated financial statements (the "Financial Statements") of the Company and its subsidiaries (collectively "AcrossAsia Group") for the six months ended 30th June 2010 (the "Half-year Period") together with comparative figures for the corresponding period ended 30th June 2009, as follows:

Condensed Consolidated Income Statement

	Note	Six months ended 30th June		Three months ended 30th June	
		2010 HK\$'000	2009 HK\$'000 (restated)	2010 HK\$'000	2009 HK\$'000 (restated)
Continuing Operations					
Turnover	2	337,145	252,814	172,710	136,521
Cost of services rendered		(82,044)	(121,597)	(40,051)	(64,997)
Gross profit		255,101	131,217	132,659	71,524
Other income		8,393	199	8,216	–
Net exchange gain		22,087	39,393	1,261	65,862
Selling and distribution expenses		(21,035)	(18,485)	(9,713)	(9,641)
General and administrative expenses		(217,039)	(120,743)	(111,677)	(72,333)
Profit from operations	3	47,507	31,581	20,746	55,412
Finance costs		(38,737)	(32,047)	(18,393)	(15,168)
Profit/(loss) before tax		8,770	(466)	2,353	40,244
Income tax expense	4	(8,629)	(5,362)	(4,141)	(16,662)
Profit/(loss) for the period from continuing operations		141	(5,828)	(1,788)	23,582
Discontinued Operations					
Profit for the period from discontinued operations	5	–	48,793	–	42,766
Profit/(loss) for the period		141	42,965	(1,788)	66,348
Profit/(loss) attributable to:					
Owners of the Company	6	(1,522)	(8,873)	(327)	18,284
Minority interests		1,663	51,838	(1,461)	48,064
		141	42,965	(1,788)	66,348

	Note	Six months ended 30th June		Three months ended 30th June	
		2010 HK\$'000	2009 HK\$'000 (restated)	2010 HK\$'000	2009 HK\$'000 (restated)
Earnings/(loss) per share attributable to owners of the Company					
Basic (HK cents)					
– For profit/(loss) for the period	6	(0.03)	(0.18)	(0.01)	0.36
– For profit/(loss) from continuing operations for the period	6	(0.03)	(0.12)	(0.01)	0.47
Diluted (HK cents)					
– For profit/(loss) for the period	6	N/A	N/A	N/A	N/A
– For profit/(loss) from continuing operations for the period	6	N/A	N/A	N/A	N/A

Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30th June		Three months ended 30th June	
	2010	2009	2010	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit/(loss) for the period	141	42,965	(1,788)	66,348
Other comprehensive income:				
Rights issue of a subsidiary	180,442	–	180,442	–
Available-for-sale financial assets	–	6,098	–	21,616
Cash flow hedges	–	2,618	–	1,516
Currency translation differences	(4,341)	163,218	(10,339)	295,385
Total comprehensive income for the period	176,242	214,899	168,315	384,865
Total comprehensive income/(loss) attributable to:				
Owners of the Company	(1,160)	(13,375)	(2,767)	109,265
Minority interests	177,402	228,274	171,082	275,600
	176,242	214,899	168,315	384,865

Condensed Consolidated Statement of Financial Position

		(Unaudited) As at 30th June 2010 HK\$'000	(Audited) As at 31st December 2009 HK\$'000
	<i>Note</i>		
Non-current assets			
Property, plant and equipment	7	992,805	946,240
Available-for-sale financial assets		12,197	4,205
Other intangible assets		105,012	104,483
Deferred tax assets		11,012	18,847
Non-current prepayments, deposits and receivables		106,211	117,371
		1,227,237	1,191,146
Current assets			
Trade receivables	8	80,794	69,738
Prepayments, deposits and other current assets		59,677	93,143
Financial assets at fair value through profit or loss		76,429	–
Bank and cash balances		97,942	28,591
		314,842	191,472
TOTAL ASSETS		1,542,079	1,382,618
Capital and reserves			
Share capital		50,646	506,462
Reserves		(113,170)	(567,826)
Equity attributable to owners of the Company		(62,524)	(61,364)
Minority interests		264,254	86,852
Total equity		201,730	25,488

		(Unaudited) As at 30th June 2010 HK\$'000	(Audited) As at 31st December 2009 HK\$'000
	<i>Note</i>		
Non-current liabilities			
Provisions		13,547	10,129
Interest-bearing borrowings		202,800	551,163
Notes payable		1,989	1,929
Finance lease payables		2,017	9,447
Due to a related company		24,849	23,114
		245,202	595,782
Current liabilities			
Interest-bearing borrowings		663,001	351,295
Notes payable		259,290	223,609
Finance lease payables		12,665	24,329
Due to a related company		4,000	4,000
Trade payables	9	51,789	76,028
Receipts in advance		19,288	19,260
Other payables and accruals		85,114	62,827
		1,095,147	761,348
TOTAL LIABILITIES AND EQUITY		1,542,079	1,382,618
Net current liabilities		(780,305)	(569,876)
Total assets less current liabilities		446,932	621,270

Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company										
	Issued capital	Share premium	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 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/(loss) for the period	-	-	-	-	877	1,768	(7,147)	(8,873)	(13,375)	228,274	214,899
At 30th June 2009	506,462	32,877	1,464,802	7,659	(5,640)	(18,542)	(743,518)	(838,250)	405,850	2,132,526	2,538,376
At 1st January 2010	506,462	414,318	-	-	-	-	798	(982,942)	(61,364)	86,852	25,488
Capital reduction	(455,816)	-	-	-	-	-	-	455,816	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	362	(1,522)	(1,160)	177,402	176,242
At 30th June 2010	50,646	414,318	-	-	-	-	1,160	(528,648)	(62,524)	264,254	201,730

Condensed Consolidated Statement of Cash Flows

	Six months ended 30th June	
	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Net cash inflow from operating activities	75,326	219,265
Net cash outflow from investing activities	(126,293)	(218,660)
Net cash inflow/(outflow) from financing activities	121,695	(281,452)
Net increase/(decrease) in cash and cash equivalents	70,728	(280,847)
Cash and cash equivalents, beginning of period	28,591	1,611,420
Effect of foreign exchange rate changes	(1,377)	(282,218)
Cash and cash equivalents, end of period	97,942	1,048,355
Analysis of balances of cash and cash equivalents		
Bank and cash balances	97,942	1,048,355

Notes:

1. Principal accounting policies

The unaudited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) and International Accounting Standards (“IASs”) issued by the International Accounting Standards Board and the applicable disclosures required by the GEM Listing Rules and the Hong Kong Companies Ordinance. AcrossAsia Group has adopted certain new/revised IFRSs and IASs and these adoptions have no material impact on the accounting policies of AcrossAsia Group and the methods of computation of AcrossAsia Group’s consolidated results.

The audit committee has reviewed the unaudited consolidated financial statements of AcrossAsia Group for the Half-year Period.

2. Segment information

(a) Operating segments

Information about reportable operating segment profit or loss for the Half-year Period and the corresponding period in 2009 is as follows:

	Discontinued operations			Total HK\$'000
	Broadband Services HK\$'000	Retails HK\$'000	IT Solutions HK\$'000	
For Half-year Period				
Revenue from external customers	337,145	–	–	337,145
Segment profit	87,445	–	–	87,445
Interest revenue	498	–	–	498
Interest expense	(32,987)	–	–	(32,987)
Depreciation and amortisation	(64,162)	–	–	(64,162)
Income tax expense	(8,629)	–	–	(8,629)
The corresponding period in 2009				
Revenue from external customers	252,814	4,363,017	176,221	4,792,052
Intersegment revenue	–	–	10,000	10,000
Segment profit	47,830	133,398	18,533	199,761
Interest revenue	116	132,769	12,981	145,866
Interest expense	(19,845)	(242,270)	(41,247)	(303,362)
Depreciation and amortisation	(47,031)	(146,453)	(36,444)	(229,928)
Share of profits of associates	–	310	–	310
Income tax expense	(5,363)	(7,910)	(2,080)	(15,353)

Reconciliations of reportable segment revenue and profit or loss

	Six months ended 30th June	
	2010 HK\$'000	2009 HK\$'000
Revenue		
Total revenue of reportable segments	337,145	4,802,052
Elimination of intersegment revenue	–	(10,000)
Consolidated revenue	337,145	4,792,052
Profit or loss		
Total profit or loss of reportable segment	87,480	188,530
Unallocated amounts:		
Interest revenue	529	145,947
Interest expense	(38,737)	(315,564)
Depreciation and amortisation	(64,162)	(230,237)
Share of profits of associates	–	310
Income tax expense	(8,629)	(15,353)
Net foreign exchange gain	22,087	126,247
Fair value gain on derivative financial instruments	–	115,299
Fair value gain/(loss) on revaluation of financial assets at fair value through profit and loss	7,864	(15,302)
Gain on disposal of property, plant and equipment	–	5,124
Gain on disposal of financial assets at fair value through profit and loss	–	1,886
Rental income	–	47,339
Other corporate expenses	(6,291)	(11,261)
Consolidated profit for the period	141	42,965

(b) Geographical segments

Over 90% of AcrossAsia Group's revenue for the Half-year Period and the corresponding period in 2009 was attributable to its operations in Indonesia. Accordingly, no analysis by geographical segments is presented.

3. Profit from operations

AcrossAsia Group's profit from operations is arrived at after charging/crediting:

	Six months ended 30th June		Three months ended 30th June	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
Depreciation	57,832	221,670	28,842	136,553
Amortisation of intangible assets	6,330	8,567	3,791	4,196
Bad debt expense/provision for doubtful debts	–	2,623	–	2,623
Net gain on disposal of plant and equipment	–	5,124	–	3,133

4. Income tax expense

	Six months ended 30th June		Three months ended 30th June	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
Current tax – overseas	265	3,840	216	3,840
Deferred income tax expense	8,364	1,522	3,925	12,822
	8,629	5,362	4,141	16,662

No provision for Hong Kong profits tax has been made for the Half-year Period (2009: Nil) as AcrossAsia Group did not generate any assessable profits arising in Hong Kong. Taxes charged are all on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which AcrossAsia Group operates, based on existing legislation, interpretations and practices in respect thereof.

AcrossAsia Group's subsidiaries incorporated and operating in Indonesia are subject to Indonesian income tax at a maximum rate of 28% of the individual entities' respective assessable profits in accordance with Indonesian income tax law.

5. Discontinued operations

In 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.

Profit for the Half-year Period from Retail and IT Solutions is presented below:

	Six months ended 30th June		Three months ended 30th June	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
Turnover	–	4,539,238	–	2,521,942
Cost of goods sold and services rendered	–	(3,385,923)	–	(1,871,697)
Gross profit	–	1,153,315	–	650,245
Other income	–	387,276	–	286,434
Selling and distribution expenses	–	(434,483)	–	(243,510)
General and administrative expenses	–	(764,118)	–	(480,087)
Profit from operations	–	341,990	–	213,082
Finance costs	–	(283,517)	–	(152,687)
Share of profits of associates	–	310	–	(92)
Profit before tax	–	58,783	–	60,303
Income tax	–	(9,990)	–	(17,537)
Profit for the period	–	48,793	–	42,766
Profit/(loss) attributable to:				
Owners of the Company	–	(3,064)	–	(5,316)
Minority interests	–	51,857	–	48,082
	–	48,793	–	42,766

6. Earnings/(loss) per share

The calculation of basic earnings/(loss) per share attributable to the owners of the Company is based on the profit/(loss) attributable to the owners of the Company for the Half-year Period from continuing and discontinued operations of loss of HK\$1,522,000 (2009: loss of HK\$5,809,000) and nil (2009: loss of HK\$3,064,000) respectively and 5,064,615,385 ordinary shares issued for the Half-year Period and the corresponding period in 2009.

No diluted earnings/(loss) per share is presented as the Company did not have any dilutive potential ordinary shares for the Half-year Period and the corresponding period in 2009.

7. Property, plant and equipment

During the Half-year Period, AcrossAsia Group spent approximately HK\$50,393,000 (2009: HK\$180,396,000) on acquisition of property, plant and equipment.

8. Trade receivables

AcrossAsia Group's trading terms with its customers are mainly on credit. AcrossAsia Group generally allows an average 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 seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

An aging analysis of the trade receivables, based on invoice date, is as follows:

	As at 30th June 2010 HK\$'000	As at 31st December 2009 HK\$'000
Within 3 months	34,009	37,176
3 to 6 months	11,461	7,534
Over 6 months	35,324	25,028
	80,794	69,738

As at 30th June 2010, the trade receivables of AcrossAsia Group included receivables from certain related companies, which were directly or indirectly owned, controlled or influenced by the principal beneficial shareholders of the Company, of nil (as at 31st December 2009: HK\$11,197,000). The balances were unsecured, interest-free and repayable principally in accordance with normal trading terms.

9. Trade payables

An aging analysis of the trade payables, based on invoice date, is as follows:

	As at 30th June 2010 HK\$'000	As at 31st December 2009 HK\$'000
Within 3 months	29,111	38,816
3 to 6 months	4,537	7,090
Over 6 months	18,141	30,122
	51,789	76,028

As at 30th June 2010, the trade payables of AcrossAsia Group included payables to certain related companies, which were directly or indirectly owned, controlled or influenced by the principal beneficial shareholders of the Company, of nil (as at 31st December 2009: HK\$4,359,000). The balances were unsecured, interest-free and payable principally in accordance with normal trading terms.

10. Capital commitments

The Company had no capital commitments as at 30th June 2010 and 31st December 2009.

11. Material changes

There were no material changes in status to the information relating to liquidity and financial resources, capital structure, commitments, charges on assets, derivative financial instruments, contingent liabilities and exposure to fluctuations in exchange rates of AcrossAsia Group disclosed in the Annual Report 2009 of the Company, save as mentioned in this Report.

12. Related party transactions

Significant related party transactions of AcrossAsia Group are summarised as follows:

	Six months ended 30th June	
	2010	2009
	HK\$'000	HK\$'000
Subscription fee income for fast speed Internet access:		
– PT Lippo Karawaci	498	347
– PT Jakarta Globe Media	–	127
Insurance expense charged to:		
– PT Lippo General Insurance Tbk	–	622
Marketing expenses to:		
– Avel Pty. Limited	–	2,817

13. Comparative figures

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

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Half-year Period (2009: Nil).

FINANCIAL REVIEW

AcrossAsia Group's results for the Half-year Period were analysed based on the continuing operations namely Broadband Services.

Turnover

AcrossAsia Group recorded an increase in revenue of 33.4% to HK\$337.1 million compared to HK\$252.8 million for the same period in 2009 which was mainly contributed by a rapid growth in number of Internet service subscribers and demand for data communication service.

Gross Profit

AcrossAsia Group's gross profit increased by 94.4% to HK\$255.1 million from HK\$131.2 million for the same period in 2009 mainly due to additional demand for services and a reduction in Cable TV programme fees and Internet bandwidth and access fees by HK\$40.6 million and HK\$14.1 million respectively. The gross profit margin increased to 75.7% from 51.9% for the same period in 2009.

Profit from Operations

AcrossAsia Group recorded a profit from operations of HK\$47.5 million compared to HK\$31.6 million for the same period in 2009. It mainly resulted from higher profit margin generated from operations and a fair value gain on financial assets at fair value through profit or loss of HK\$7.9 million.

Total operating expenses (excluding other income and expenses) increased to HK\$238.1 million from HK\$139.2 million for the comparison period in 2009 mainly as a result of recognition and amortisation of prepaid annual and upfront fees on WiMAX of HK\$54.6 million and recruitment of additional staff to support the rapid growth of Broadband Services with an increase in staff salaries and benefits by HK\$16.1 million.

Loss attributable to Owners

AcrossAsia Group recorded a reduced loss attributable to owners of the Company of HK\$1.5 million compared to a loss of HK\$8.9 million for the same period in 2009.

BUSINESS REVIEW

PT First Media Tbk ("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 of AcrossAsia Group. It offers a new edutainment and lifestyle of experience and Broadband Internet connectivity to its valued customers in Indonesia through Triple-play, namely FastNet, HomeCable and DataComm.

FastNet, an unlimited high-speed Internet access service, offers a variety of connection speeds with smart values and best deals. Packages offered now range from 1 Mbps to 10 Mbps with subscription fee starting from Rp. 195,000/month. First Media also offers SME market with its FastNet SOHO (1.5 Mbps) and children with FastNet KIDS.

HomeCable offers a wide range of local and international TV channels covering news, education, movies, lifestyle, entertainment, sports, music, and kids channels. Packages offered such as HomeCable Family, HomeCable Ultimate, New D'Lite (combo with FastNet) and Elite (combo with FastNet) alongside attractive selection pack/add-on with subscription fee starting from Rp. 60,000/month.

DataComm services provide connectivity and availability for decision making process and conjunctively for business continuity. DataComm serves the demanding corporate customers for high reliability connection using the latest technology of fibre optic cable. The Metro Ethernet technology applied in the network backbone gives corporate customers the very simple and flexibility technology to adapt.

As of 30th June 2010, First Media's fibre optic cable reached over 4,000 km whilst its coaxial cable reached over 4,800 km, passing more than 500,000 homes in total. This two-way HFC (Hybrid Fibre Coaxial) network covers major residential and central business districts in Greater Metropolitan Jakarta and other prime cities in Indonesia such as Surabaya and Bali.

Cable TV subscribers totalled approximately 148,500 representing a penetration rate of 30%. Meanwhile, broadband Internet subscribers reached approximately 167,500, representing a 33% penetration rate. In addition, First Media's DataComm continues to be the sole network provider to Indonesia Stock Exchange for its JATS-Remote Trading since 2002.

Considerable endeavours on the operation end have been carried out to improve First Media's revenue and profit such as more aggressive marketing campaign to boost its products, introducing more new channels and packages to meet market needs as well as more prudent and efficient cost management.

PROSPECTS

For this year 2010, First Media will continue focusing on penetration of its core businesses via Triple-play services by capitalising on its current HFC network. In view of current penetration rate, the potential from the captive market is considerable and does not require any hefty investment (e.g. roll-out) costs.

In June 2010, First Media soft launched its WiMAX product "Sitra". Currently, infrastructure and deployment of WiMAX are ongoing and "Sitra" is expected to be up and running commercially in the second half of this year.

FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Half-year Period, AcrossAsia Group financed its operations, acquired plant and equipment, purchased financial assets and repaid loans and debts with its internal resources and funds raised from First Media's rights issue. It utilised an aggregate amount of HK\$146.8 million for the above activities but still retained cash and cash equivalents of HK\$97.9 million as at 30th June 2010. It had current assets of HK\$314.8 million as at 30th June 2010. Total interest-bearing borrowings including notes payable slightly reduced by HK\$0.9 million to HK\$1,127.1 million as at 30th June 2010 and were mainly denominated in Indonesian Rupiah and United States Dollars, with interest generally chargeable at market rates and maturity dates ranging from less than a year to 5 years. Certain interest-bearing borrowings were secured by the pledge of the Group's property, plant and equipment, investments financial assets and trade receivables.

During the Half-year Period, AcrossAsia Group implemented and is continuing to implement the following management plan to further improve its financial position: restructuring of current borrowings to long-term loans; enhancement of operational efficiency; procurement of long-term debt/equity financing; extension of the penetration of the Cable TV and other Broadband Services; and exploration of new business opportunities. AcrossAsia Group's gearing ratio, representing total borrowings divided by share capital, was 22.3 times as at 30th June 2010.

As a result of substantial operations in Indonesia, AcrossAsia Group has exposed foreign currency risk from borrowings denominated in Indonesian Rupiah and United States Dollars and funds received and spent mainly denominated in Indonesian Rupiah. During the Half-year Period, the foreign currency exposure had positive impact on AcrossAsia Group's results. AcrossAsia Group will continue to monitor and manage its foreign exchange exposure.

EMPLOYEES

As at 30th June 2010, AcrossAsia Group had approximately 544 employees. For the Half-year Period, the staff costs (including Directors' emoluments) were approximately HK\$57.7 million. The remuneration, promotion and salary review of the employees are assessed based on job responsibilities, work performance, professional experiences and prevailing industry practices. AcrossAsia Group's employees in Hong Kong joined the Mandatory Provident Fund Scheme. Other benefits include share options to be granted under the share option scheme, incentive bonus and training schemes.

DISCLOSURE OF INTERESTS IN SECURITIES

Directors and Chief Executive

As at 30th June 2010, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares (in respect of positions held pursuant to equity derivatives) and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as notified to the Company and the Stock Exchange under Rule 5.46 of the GEM Listing Rules or as otherwise required by Rule 23.07 of the GEM Listing Rules were as follows:

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

Mr. Albert Saychuan CHEOK was interested in 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 Director (being also the chief executive) of the Company was granted on 23rd June 2000 (the "Grant Date") an option to subscribe for shares of the Company at a subscription price of HK\$3.28 per share as follows:

Name	Number of underlying shares		Outstanding as of 30th June 2010	Percentage of enlarged issued share capital
	Granted	Lapsed		
Mr. Marshall Wallace COOPER	355,000	(355,000) <i>(Note)</i>	–	–
Total	355,000	(355,000)	–	–

Note: The exercise period for all such shares ended on 22nd June 2010.

(ii) Cash settled and other equity derivatives

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

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

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

Substantial Shareholders

As at 30th June 2010, the interests and short positions of the substantial shareholders of the Company in the shares and underlying shares (in respect of positions held pursuant to equity derivatives) of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long Position in Shares of the Company

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

Note:

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

Long Position in Underlying Shares of the Company

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

Short Position in Shares and Underlying Shares of the Company

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

Other Persons

As at 30th June 2010, no other persons had any interests or short positions in the shares or underlying shares (in respect of positions held pursuant to equity derivatives) of the Company according to the registers required to be kept by the Company under the SFO.

SHARE OPTIONS

As at 30th June 2010, options granted on the Grant Date to 10 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 lapsed.

The following options under the Pre-IPO Plan lapsed during the Half-year Period:

Participant	Number of underlying shares		
	As at 1st January 2010	Lapsed during the period	As at 30th June 2010
Directors	355,000	(355,000)	–
Others	11,584,000	(11,584,000)	–
Total	11,939,000	(11,939,000)	–

The Company also has a share option scheme adopted on 14th May 2002 (the "2002 Scheme") under which employees of AcrossAsia Group (including the Directors of the Company) and other persons may be granted on or after 15th May 2002 options to subscribe for shares of the Company subject to the terms and conditions stipulated in the 2002 Scheme. No options had been granted under the 2002 Scheme as at 30th June 2010.

COMPETING INTERESTS

The Lippo Group (a general reference to the companies (including Lippo Cayman) in which Dr. Riady and his family have a direct or indirect interest; the Lippo Group is not a legal entity and does not operate as one; each of the companies in the Lippo Group operates within its own legal, corporate and financial framework) might have had or developed interests in businesses in Hong Kong and other parts in Asia similar to those of AcrossAsia Group during the Half-year Period. There was a chance that such businesses might have competed with AcrossAsia Group during the Half-year Period.

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

AUDIT COMMITTEE

The board of Directors established an audit committee (the "Audit Committee") on 23rd June 2000 with written terms of reference in accordance with Rules 5.28 and 5.29 of the GEM Listing Rules. The primary duties of the Audit Committee are, inter alia, to review and monitor the financial reporting and audit matters as well as the financial control, internal control and risk management systems of AcrossAsia Group. The Audit Committee has met three times this year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

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

CODE ON 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 the Half-year Period.

SECURITIES TRANSACTIONS BY THE 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 the Half-year Period.

By Order of the Board
Marshall Wallace COOPER
Director and Chief Executive Officer

Hong Kong, 10th August 2010