THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in AcrossAsia Limited, you should at once hand this circular and the enclosed proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

ACROSSASIA LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8061)

VERY SUBSTANTIAL DISPOSAL

Financial adviser to AcrossAsia Limited

SOMERLEY LIMITED

A letter from the Board is set out on pages 7 to 38 of this circular.

A notice convening an extraordinary general meeting of AcrossAsia Limited (the "Company") to be held at No. 4, Ground Floor, Lippo Centre, 89 Queensway, Hong Kong on 26th May, 2011 at 10:00 a.m. is set out on pages 106 to 107 of this circular. Whether or not you are able to attend the extraordinary general meeting or any adjournment thereof, you are requested to read the notice and complete and return the enclosed proxy form in accordance with the instructions printed thereon to 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 as soon as possible but in any event not less than 48 hours before the time appointed for holding of the extraordinary general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending, and voting in person at the extraordinary general meeting or any adjournment thereof should you so wish.

This circular will remain on the GEM website at http://www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting, and on the Company's website at http://www.across-asia.com.

9th May, 2011

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

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

CONTENTS

In this circular, unless the context requires otherwise, the following terms and expressions shall have the following meanings:

"associate(s)"	has the meaning ascribed to it in the GEM Listing Rules
"Additional Capex Related Items"	network related capital expenditures beyond the amount actually spent to satisfy the network related capital expenditures assets required to cover the first 28,000 homes passed for the year 2011 in the ordinary course of business; consideration paid for transferring the prepayment associated with the specified bandwidth contract and less any amortization thereof up to completion date; and prepaid assets as at completion date after deducting certain specified liabilities including specified employee severance liabilities and unearned revenues and subscriber deposits as at completion date
"Adjustment(s)"	the adjustments to the LN Price, the number of LN Subscription Shares, the exercise price of the Option, the number of Option Shares and the Bond Price as summarised in paragraphs (i) to (iv) in Part A of "Letter from the Board" under the heading "Subscription Adjustments" in this circular
"Aggregate Subscription Price"	IDR2,351,013,377,193 (equivalent to approximately HK$2,028,606,885), being the aggregate of the Bond Price, the LN Price and the FMTV Price
"Bapepam"	the Indonesian Capital Markets and Financial Institution Supervisory Agency (Badan Pengawas Pasar Modal dan Lembaga Keuangan) or its successor agencies, authorities or entities
"Board"	the board of the Directors
"Bond"	the secured bond due 2016, as constituted by the Bond Instrument
"Bond Instrument"	an instrument to be executed on Completion by First Media constituting the Bond
"Bond Price"	the sum of IDR722,310,112,156 (equivalent to approximately HK$623,256,031)
"Business Day"	a day (other than a Saturday, Sunday or public holiday) when clearing banks in Singapore and Jakarta Indonesia are open for the transaction of normal banking business

"Company"	AcrossAsia Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Growth Enterprise Market of the Stock Exchange
"Completion"	completion of the Proposed Transactions
"Completion Date"	the date as of which Completion actually occurs, which shall be the date falling five Business Days after the satisfaction (or, if applicable, waiver) of all the Conditions Precedent (or such other date as agreed by the parties), but shall not in any event be later than 31st July, 2011
"Conditions Precedent"	the conditions precedent to Completion, a key summary of which is set out in Part A of "Letter from the Board" contained in this circular
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened at No. 4, Ground Floor, Lippo Centre, 89 Queensway, Hong Kong on 26th May, 2011 at 10:00 a.m. to approve the proposed transactions contemplated under the Investment Agreement which includes the subscription of the LN Subscription Shares, the FMTV Subscription Shares and the Bond (including the grant of the Share Pledge), the grant of the Option under the Option Agreement and the making of the Vendor Loan, together with the exercise of the Option
"First Media"	PT First Media Tbk, a company incorporated in Indonesia and the shares of which are listed on the IDX and a non-wholly owned subsidiary of the Company
"First Media Group"	First Media and its subsidiaries (including Link Net and FMTV)
"FMTV"	PT First Media Television, a company incorporated in Indonesia and a wholly-owned subsidiary of First Media
"FMTV Price"	the sum of IDR1,000,000,000 (equivalent to approximately HK$862,865)
"FMTV Subscription Shares"	2,500 ordinary shares in the capital of FMTV
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
"Group"	the Company and its subsidiaries

"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"IDX"	the Indonesian Stock Exchange
"Indonesian GAAP"	generally accepted accounting principles in Indonesia
"Investment Agreement"	the investment agreement entered into between the Investor, First Media, Link Net and FMTV dated 21st March, 2011
"Investor"	Asia Link Holdings Limited, a company incorporated in the Cayman Islands
"ISP Business"	the business of providing subscription based broadband internet access and data services, presently conducted under the names "FastNet", "MyNet" and "DataComm"
"Latest Practicable Date"	6th May, 2011, being the latest practicable date for ascertaining certain information contained in this circular
"Link Net"	PT Link Net, a company incorporated in Indonesia and a wholly-owned subsidiary of First Media
"LN Price"	the sum of IDR1,627,703,265,037 (equivalent to approximately HK$1,404,487,989)
"LN Subscription Shares"	1,032,649,384 ordinary shares in the capital of Link Net
"Network"	a two-way hybrid fibre-coaxial cable broadband network in Indonesia delivering high speed internet access service in Jakarta, Surabaya and Bali
"Network Business"	the ownership and operation of the Network in Indonesia
"Option"	the option to be granted on Completion by First Media to the Investor or an Investor designee to purchase the Option Shares pursuant to the Option Agreement
"Option Agreement"	an option agreement in agreed form to be entered into on Completion between First Media and the Investor or an Investor designee relating to the grant of the Option
"Option Shares"	458,248,814 existing ordinary shares in the capital of Link Net *(see Note*)*

"Other Businesses"	certain specified businesses carried on or proposed to be carried on by First Media and its affiliates in Indonesia as referred to in the Shareholders' Agreement, a summary of which includes: (1) Sitra WiMAX; (2) the business of owning and operating a movie and other show or entertainment programme production business; (3) the business of owning and operating news channels business; (4) the business of owning and operating home shopping channels business; (5) the business of owning and operating an advertising and media publishing business; and (6) owning and operating a cloud computing business
"Pay TV Business"	the business of providing multi-channel subscription-based television and radio services delivered through any platform (including cable, satellite and wireless) presently under the name "HomeCable", including media and advertising sales in connection therewith
"Pay TV Licence"	the Pay TV Licence (Izin Penyelenggaraan Penyiaran) held by FMTV and granted to it based on decree issued by the Ministry of Communications and Information of Indonesia No. 393/KEP/M.KOMINFO/11/2010 dated 11th November, 2010
"Proposed Transactions"	the proposed transactions contemplated under the Investment Agreement which includes the subscription of the LN Subscription Shares, the FMTV Subscription Shares and the Bond (including the grant of the Share Pledge), the grant of the Option and the making of the Vendor Loan
"Relevant Businesses"	the Network Business, the ISP Business, the Pay TV Business and business of providing broadband internet service access and leased line services

"Reorganisation"	the reorganisation contemplated under the Reorganisation Agreement, including without limitation, the transfer of certain assets, liabilities, contracts, employees and undertakings in connection with the Network Business, the ISP Business and the Pay TV Business from First Media to Link Net and the entry into of certain other agreements between First Media and Link Net, prior to and on Completion, in each case on and subject to the terms of the Reorganisation Agreement
"Reorganisation Agreement"	the reorganisation agreement entered into between First Media, Link Net and FMTV in connection with the Reorganisation (and any and all other documents executed pursuant thereto) dated 21st March, 2011
"Reorganisation Final Price"	the total amount payable by Link Net to First Media on completion of the Reorganisation under the Reorganisation Agreement
"Reorganisation Initial Price"	the sum of IDR1,187,694,000,000 (equivalent to approximately HK$1,024,819,446)
"Share(s)"	share(s) of par value HK$0.10 each in the capital of the Company
"Share Pledge"	the agreed form of the pledge of shares to secure First Media's obligations under the Bond
"Shareholder(s)"	holder(s) of the Shares
"Shareholders' Agreement"	the agreement entered into between the Investor, First Media, Link Net and FMTV to set out the respective rights and obligations of First Media and the Investor in connection with their shareholdings in Link Net and FMTV dated 21st March, 2011
"Sitra WiMAX"	the business of providing subscription based broadband internet access and data services using wireless metropolitan area network technology specialising in point to multipoint access under the name of "Sitra"
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor Loan"	the IDR term loan facility in the aggregate principal amount of IDR440,000,000,000 (equivalent to approximately HK$379,660,549) to be advanced by First Media to Link Net at Completion pursuant to the Vendor Loan Agreement

"Vendor Loan Agreement"	the agreement relating to the Vendor Loan to be entered into on Completion between First Media and Link Net in the agreed form
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"IDR"	Indonesian Rupiah, the lawful currency of Indonesia
"%"	per cent.

Unless otherwise stated, for illustrative purposes only in this circular, figures denominated in IDR are translated into HK$ at the exchange rate of IDR1,158.93 to HK$1.

Note:* The Investment Agreement provides that the number of Option Shares shall be 458,248,815 shares in the capital of Link Net subject to adjustment. As stated in the announcement of the Company dated 6th May, 2011 the number of Option Shares was adjusted to 458,248,814 shares in the capital of Link Net.

ACROSSASIA LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8061)

Executive Director:
Mr. Marshall Wallace COOPER
(Chief Executive Officer)

Independent Non-executive Directors:
Mr. Albert Saychuan CHEOK *(Chairman)*
Dr. Boh Soon LIM
Mr. Thomas Yee Man LAW

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

9th May, 2011

To the Shareholders

Dear Sir or Madam,

VERY SUBSTANTIAL DISPOSAL

INTRODUCTION

The Directors announced on 18th April, 2011 that on 21st March, 2011:

(1) First Media, Link Net, FMTV (all being subsidiaries of the Company), and the Investor have entered into the Investment Agreement relating to, amongst other things, the proposed investment by the Investor in Link Net and FMTV;

(2) First Media, Link Net, FMTV and the Investor have also entered into the Shareholders' Agreement to set out the respective rights and obligations of First Media and the Investor in connection with their investments and shareholdings in Link Net and FMTV after Completion, which agreement is to take effect on the Completion Date; and

(3) First Media, Link Net and FMTV have also entered into the Reorganisation Agreement, pursuant to which, amongst other things, First Media is to transfer to Link Net certain assets, liabilities, contracts, employees and undertakings in order for Link Net to carry on the Network Business, the Pay TV Business and the ISP Business.

Under the Proposed Transactions, First Media, a subsidiary of the Company whose shares are listed on the IDX, will, subject to the satisfaction of the Conditions Precedent, transfer to Link Net, a wholly-owned subsidiary of First Media as at the Latest Practicable Date, certain assets, liabilities, contracts, employees and undertakings in order for Link Net to carry on the Network Business, the Pay TV Business and the ISP Business. After which, the Investor will acquire a minority interest in each of (1) Link Net, which will operate the Relevant Businesses from and after closing of the Reorganisation, and (2) FMTV, the holder of a Pay TV Licence. The Investor is a subsidiary of CVC Capital Partners Asia Pacific III L.P. and CVC Capital Partners Asia Pacific III Parallel-A, L.P.

Pursuant to the terms of the Investment Agreement, the Investor will, subject to satisfaction of the Conditions Precedent, make the following investments:

(a) the Investor shall (or its designee shall) subscribe for the LN Subscription Shares for the sum of IDR1,627,703,265,037 (equivalent to approximately HK$1,404,487,989) (subject to the Adjustments);

(b) First Media shall grant to the Investor (or its designee) the Option in respect of 458,248,815 Option Shares pursuant to the terms of the Option Agreement (subject to the Adjustments) *(see Note*)*;

(c) the Investor (or its designee) shall subscribe for the Bond for the sum of IDR722,310,112,156 (equivalent to approximately HK$623,256,031) (subject to the Adjustments); and

(d) the Investor shall (or its designee shall) subscribe for the FMTV Subscription Shares for IDR1,000,000,000 (equivalent to approximately HK$862,865),

in each case on and subject to the terms of the Investment Agreement.

Note:* The Investment Agreement provides that the number of Option Shares shall be 458,248,815 shares in the capital of Link Net subject to adjustment. As stated in the announcement of the Company dated 6th May, 2011 the number of Option Shares was adjusted to 458,248,814 shares in the capital of Link Net.

It was stated in the announcement of the Company dated 6th May, 2011 that there are no adjustments to the Reorganisation Final Price, the LN Price, the Bond Price and the Option exercise price. It was also stated in the announcement of the Company dated 6th May, 2011 that there will be no change to the number of LN Subscription Shares. However, as the Investment Agreement provides that the Option Shares shall together with the LN Subscription Shares equal 49% of the issued share capital of Link Net on a fully diluted basis at Completion, the number of Option Shares will be adjusted from 458,248,815 shares of Link Net to 458,248,814 shares of Link Net.

On Completion, First Media will advance the Vendor Loan in the aggregate principal amount of IDR440,000,000,000 (equivalent to approximately HK$379,660,549) to Link Net on and subject to the terms of the Vendor Loan Agreement.

Upon Completion, First Media will:

(i) continue to operate Sitra WiMAX and certain Other Businesses as well as hold a majority shareholding interest in Link Net and FMTV; and

(ii) operate the Relevant Businesses through Link Net jointly with the Investor on and in accordance with the terms of the Shareholders' Agreement.

Assuming that the Option is exercised in full, Link Net will remain as a subsidiary of First Media and results of Link Net will be consolidated into the results of the Group.

As the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Proposed Transactions together with the exercise of the Option exceed 75%, the Proposed Transactions together with the exercise of the Option constitute a very substantial disposal for the Company under the GEM Listing Rules. Accordingly, the proposed transactions contemplated under the Investment Agreement which includes the subscription of the LN Subscription Shares, the FMTV Subscription Shares and the Bond (including the grant of the Share Pledge), the grant of the Option under the Option Agreement and the making of the Vendor Loan, together with the exercise of the Option, are subject to the reporting, announcement, and Shareholders' approval requirements at the EGM.

The purpose of this circular is to provide you with, among other things, (a) further details of the Proposed Transactions and the relevant agreements and deed; (b) financial information of the Group, Link Net and FMTV; (c) unaudited pro forma financial information on the Group; (d) other financial information on the Group as required under the GEM Listing Rule; and (e) a notice of the EGM.

A summary of the key terms of the Investment Agreement and the Option, the Bond and the Share Pledge, the Reorganisation Agreement and the Shareholders' Agreement are respectively set out in Parts A, B, C and D of this letter below. References to a designee of the Investor in this letter means a designee which is an affiliate which is in control of, controlled by, or under common control with, the Investor.

PART A. THE INVESTMENT AGREEMENT

Date: 21st March, 2011

Parties:

(i) PT First Media Tbk, a non-wholly owned subsidiary of the Company whose shares are listed on the IDX;

(ii) PT Link Net, a wholly-owned subsidiary of First Media;

(iii) PT First Media Television, a wholly-owned subsidiary of First Media; and

(iv) Asia Link Holdings Limited, as the Investor.

Subject matters of subscriptions under the Investment Agreement:

Pursuant to the Investment Agreement, the parties have agreed that, subject to the satisfaction of the Conditions Precedent and Completion, the Investor will make the following investments in the aggregate amount of the Aggregate Subscription Price:

(i)	***Subscription for the LN Subscription Shares and grant of the Option***	:	The Investor will acquire certain equity interest in Link Net through (1) the subscription of new LN Subscription Shares for the LN Price and (2) the Option. **The LN Subscription Shares**. The Investor will subscribe for the new LN Subscription Shares (being, subject to the Adjustments, 1,032,649,384 new ordinary shares of Link Net, which represents approximately 33.94% of the enlarged issued share capital of Link Net upon Completion and full exercise of the Option) free from all encumbrances at the LN Price at Completion, with the LN Price (representing a subscription price per LN Subscription Share, of approximately IDR1,576.24, equivalent to approximately HK$1.36) being payable in immediately available funds on Completion. It was stated in the announcement of the Company dated 6th May, 2011 that no adjustments would be made for the number of the LN Subscription Shares.

The Option. At Completion, First Media and the Investor (or its designee) shall enter into the Option Agreement, pursuant to which First Media, will, in consideration of IDR1,000 (equivalent to approximately HK$0.86), grant to the Investor (or its designee) the option to purchase the Option Shares (subject to customary adjustments for change in share capital, bonus issues and similar events). The exercise price for the Option Shares (being, 458,248,814 existing ordinary shares of Link Net, which represents approximately 15.06% of the enlarged issued share capital of Link Net upon Completion and full exercise of the Option) is not set out in the agreed form of the Option Agreement attached to the Investment Agreement, but First Media and the Investor have agreed in principle that the exercise price will be determined based on the Aggregate Subscription Price after deducting the LN Price and the FMTV Price, and will be increased incrementally at the rate of 1% per annum for each year thereafter up to the fifth anniversary of the Completion Date. First Media has notified the Company that the Option exercise price for year one under the Option Agreement will be approximately IDR722 billion (equivalent to approximately HK$623 million) (which represents an exercise price per Option Share, of approximately IDR1,575.56 (equivalent to approximately HK$1.36)). The said Option exercise price will be increased incrementally at the rate of 1% per annum for each year thereafter up to the fifth anniversary of the Completion Date. The Option exercise price is subject to the Adjustments. The Adjustments events are as set out in the section headed "Subscription Adjustments" below and all Adjustments will take place prior to Completion. Accordingly, the Option exercise price will be fixed prior to Completion and there is no other Adjustments events after Completion.

The maximum amount of total consideration payable to exercise the Option is the initial Option exercise price for year one, being approximately IDR722 billion (equivalent to approximately HK$623 million) subject to the Adjustments of not more than 5%, pending confirmation of the Adjustments prior to the extraordinary general meeting of First Media, together with a per annum incremental increase for 5 years until the maturity date of the Option.

It was stated in the announcement of the Company dated 6th May, 2011 that no adjustments would be made for the Option exercise price.

The Investor and First Media have agreed in principle that the following Option exercise price will be payable (with the maximum being at year 5):

Exercise date	**Option Exercise Price** *(in billion and subject to rounding)*
Completion date to day prior to first anniversary	IDR722.3 (equivalent to approximately HK$623.2 million)
First anniversary to day prior to second anniversary	IDR729.5 (equivalent to approximately HK$629.5 million)
Second anniversary to day prior to third anniversary	IDR736.8 (equivalent to approximately 635.8 million)
Third anniversary to day prior to fourth anniversary	IDR744.2 (equivalent to approximately HK$642.1 million)
Fourth anniversary to day prior to fifth anniversary	IDR751.6 (equivalent to approximately HK$648.5 million)
Fifth anniversary	IDR759.2 (equivalent to approximately HK$655.1 million)

Under the Option Agreement, the exercise of the Option is neither at the sole discretion of First Media nor the Investor, but rather, the Option will (and will only) be mandatorily exercised, in full and not in part, at any time during the five year period upon occurrence of certain specified mandatory exercise events, being the earlier of (a) the delivery of a tag acceptance notice (where a shareholder delivers a notice to a transferring shareholder to notify the transferring shareholder that it wishes to sell its shareholding at the same time in accordance with the tag along rights under the Shareholders' Agreement) by any party to the Shareholders' Agreement in accordance with the Shareholders' Agreement; (b) the delivery of a default notice in accordance with the Shareholders' Agreement; (c) closing of the listing and initial public offering of shares in Link Net on the IDX (which means upon the listing and initial public offering of Link Net on the IDX, if this is to take place); or (d) the 5th anniversary of the Completion Date.

As set out above, the end date of the Option under which it is mandatorily exercised is the 5th anniversary of the Completion Date (i.e. this being the latest date on which it will be and is automatically mandatorily exercised). Other than the mandatory exercise events stated in this letter, the Option will not otherwise be terminated or lapsed in any circumstances. The Option is non-transferable save with consent of all parties to the Option Agreement.

The relevant requirements under GEM Listing Rule 19.74(1) is being complied with in respect of the grant of the Option, and the Company shall publish further announcement(s) when the Option is exercised in accordance with the requirements of GEM Listing Rule 19.74(2). As the exercise of the Option is mandatory, the Company will seek the Shareholders' approval necessary for exercise of the Option at the same time as and together with seeking the Shareholders' approval necessary for the grant of the Option at the EGM in compliance with GEM Listing Rule 19.76(2).

Upon Completion, the LN Subscription Shares together with all of the Option Shares will represent 49% of the enlarged issued share capital of Link Net, and First Media and the Investor (assuming full exercise of the Option) will respectively hold 51% and 49% of the enlarged issued share capital of Link Net.

(ii) ***Subscription for the FMTV Subscription Shares*** : The Investor shall (or shall procure that an Investor designee shall) subscribe for, and FMTV shall (and First Media shall procure that FMTV shall) allot and issue, the FMTV Subscription Shares (being 2,500 ordinary shares of FMTV) free from all encumbrances for the FMTV Price (representing a subscription price per FMTV Subscription Share of approximately IDR400,000, equivalent to approximately HK$345.15), which shall be paid in immediately available funds on Completion.

Upon Completion, the FMTV Subscription Shares will represent approximately 20% of the enlarged issued share capital of FMTV.

Upon Completion, First Media and the Investor will respectively hold 80% and 20% of the enlarged issued share capital of FMTV.

(iii) ***Subscription for the Bond*** : The Investor shall (or shall procure that an Investor's designee shall) subscribe for, and First Media shall issue, the Bond on the terms of the Bond Instrument subject to and in accordance with the terms of the Investment Agreement, and the Investor shall (or shall procure that an Investor designee shall) pay First Media the Bond Price in immediately available funds on Completion.

Further details with respect to the Bond are set out in "Part B. Principal terms and conditions of the Bond and the deed of pledge of shares" of this letter.

Subscription Adjustments

The aggregate amount of investment payable by the Investor in connection with the subscription of the LN Subscription Shares, the FMTV Subscription Shares and the Bond will not change. However, allocations of amounts payable in respect of the foregoing (including the number of the LN Subscription Shares and the Option Shares and the Option exercise price), will be adjusted in accordance with paragraphs (i) to (iv) below based on the actual Reorganisation Final Price paid under the Reorganisation. Details with respect to the Adjustments are set out below. The Reorganisation Initial Price is an estimated amount of consideration payable only (determined based on book value of assets and expected capital expenditure prior to completion of the Reorganisation) and the Reorganisation Final Price, being the actual amount payable under the Reorganisation, will be determined based on independent valuations to be conducted in Indonesia pursuant to requirements of applicable IDX listing rules and/or Bapepam regulations. As at 18th April, 2011, the Reorganisation Initial Price allocated for assets to be transferred under the Reorganisation had been preliminarily confirmed to be consistent and in line with the independent valuation as set out in the appraisal report dated 5th April, 2011 issued to First Media and prepared by Firman Suryantoro Sugeng Suzy, Hartomo & Rekan (Fast), Certified Business & Property Appraisers with a valuation amount of approximately IDR1,090,097,000,000 (equivalent to approximately HK$940.6 million) relating to assets as of 31st December, 2010. However, such valuation remains to be subject to final confirmation and update (to include assets as of 30th April, 2011) by the said independent valuers no later than 2 days prior to the extraordinary general meeting of First Media (which is expected to be held in May 2011) convened for the purpose of approving, amongst other things, the Proposed Transactions. The said independent valuation was conducted based on cost approach and market value and accordingly, does not constitute a profit forecast as defined under GEM Listing Rule 19.61. The difference between the valuation amount and the Reorganisation Initial Price is because, the Reorganisation Initial Price was determined based on the book value of the relevant assets to be transferred as well as expected capital expenditure with respect to assets proposed to be acquired and to be transferred before Completion but on the other hand, an interim independent valuation is conducted on assets as of 31st December, 2010 after signing of the Investment Agreement only. Accordingly, the difference includes any difference between book value and the actual valuation as well as the assets acquired and proposed to be transferred since 31st December, 2010.

Pursuant to the Investment Agreement, if the Reorganisation Final Price is higher or lower than the Reorganisation Initial Price:

(i) the LN Price shall be increased or reduced, as the case may be, by the same extent;

(ii) the number of LN Subscription Shares to be allotted and issued at IDR1,576.24 (equivalent to approximately HK$1.36) for each LN Subscription Share shall be increased or reduced accordingly, as the case may be;

(iii) the number of Option Shares shall be reduced or increased, as the case may be, so that the aggregate number of Option Shares and LN Subscription Shares (as adjusted per (ii) above) shall equal 49% of the issued share capital of Link Net on a fully-diluted basis and the Option exercise price shall be reduced or increased, as the case may be, to the same extent; and

(iv) the sum payable by the Investor for the Bond and the face value of the Bond shall be reduced or increased, as the case may be, to the same extent.

The maximum number of LN Subscription Shares and Option Shares to which the Investor is entitled will not under any circumstance exceed 49% of the enlarged issued share capital of Link Net.

The Reorganisation Final Price has been fixed in accordance with the terms of the Reorganisation Agreement based on the final confirmation and update by the said independent valuers by reference to market value of assets. It was stated in the announcement of the Company dated 6th May, 2011 that no adjustments would be made for the Reorganisation Final Price. Since no adjustments will be made to the Reorganisation Final Price, there will be no Adjustments required for the LN Price, the Bond Price, the number of new LN Subscription Shares to be issued to the Investor and the Option Exercise Price. However, as the Investment Agreement provides that the Option Shares shall together with the LN Subscription Shares equal 49% of the issued share capital of Link Net on a fully diluted basis at Completion, the number of Option Shares will be adjusted from 458,248,815 shares of Link Net to 458,248,814 shares of Link Net.

Conditions Precedent to Completion:

Completion is subject to the Condition Precedents having been satisfied or waived (as the case may be), including but not limited to the following:

(a) accuracy of warranties and compliance with terms of the Investment Agreement;

(b) approval by the shareholders of First Media and by the shareholders of the Company of the Proposed Transactions (which shall include the approval of the exercise of the Option (if required));

(c) the grant by the Ministry of Communication and Information of Indonesia to Link Net of the network operational licence authorising Link Net to operate the Network on terms not materially less favourable than the terms of the network operational licence issued to First Media;

(d) the grant by the Foreign Investment Coordination Agency of Indonesia (Badan Koordinasi Penanaman Modal) to Link Net and FMTV of its approval for the change in the status of Link Net and FMTV to a foreign investment company for Indonesian law purposes; and

(e) the grant of certain approval, consent, waiver by applicable third parties relating to the Reorganisation as may be required under the terms of certain loans and other indebtedness of First Media, unless such loans and/or indebtedness are discharged,

provided that conditions (b) to (e) above cannot be waived.

Other Key Terms of the Investment Agreement:

(i) Completion Date : Completion shall be the date falling five Business Days after the satisfaction (or, if applicable, waiver) of all the Conditions Precedents (or such other date as First Media and the Investor may agree in writing), but shall not in any event be later than 31st July, 2011.

(ii) Completion

At Completion, all but not part only of the following is to take place:

Completion of subscriptions : Against payment, the completion of the subscription of the LN Subscription Shares, the FMTV Subscription Shares and the Bond shall take place.

Grant of the Option : First Media shall enter into the Option Agreement with the Investor (or its designee).

Grant of the Vendor Loan : Link Net and First Media will, at Completion, enter into the Vendor Loan Agreement pursuant to which First Media will advance to Link Net the Vendor Loan in the aggregate principal amount of IDR440,000,000,000 (equivalent to approximately HK$379,660,549) at and subject to Completion. The purpose of the Vendor Loan is for First Media to advance part of the Bond proceeds to Link Net to fund Link Net's capital expenditures and working capital purposes. The Vendor Loan will be funded from the Bond Price and there is no set-off arrangement relating to the Vendor Loan and the reorganisation price (as detailed below) payable by Link Net to First Media under the Reorganisation.

Key Terms of the Vendor Loan are as follows:

- Lender: First Media
- Borrower: Link Net

- Amount: IDR440,000,000,000 (equivalent to approximately HK$379,660,549)

- Interest: 11% per annum, with accrued interest to be automatically added to the outstanding principal amount of the loan.

- Maturity and Mandatory Pre-Payment: The Vendor Loan will be repaid at the earlier of the date falling 4 years from the Completion Date or on occurrence of a mandatory prepayment event as detailed in the Vendor Loan Agreement (including without limitation upon occurrence of an exit event or exercise of drag along rights (as referred to and defined in the Shareholders' Agreement)).

- The Vendor Loan is unsecured and is stated to rank at least pari passu with the claims of all creditors of Link Net, except for obligations (a) mandatorily preferred by law applying to companies generally or (b) under certain specified permitted financial indebtedness as detailed in the Vendor Loan Agreement.

- Link Net shall apply all amounts under the Vendor Loan to finance its capital expenditures and for working capital purposes.

(iii) Use of proceeds by Link Net : Unless otherwise agreed between the Investor and First Media, the LN Price shall be used and applied:

(a) by Link Net (approximately 55% to 60%)* to fund the acquisition of the Network Business, the ISP Business and the Pay TV Business from First Media under the Reorganisation;

(b) by Link Net (approximately 25% to 30%)* for funding an expansion or development of the Network; and

(c) the balance* by Link Net for its general working capital purposes.

(iv) Pre-Completion Undertakings and Warranties	:	Each of First Media, Link Net and/or FMTV provides customary pre-completion undertakings and warranties with respect to the Relevant Businesses and the Proposed Transactions.

*Note**: The percentages referred to above are not set out in the Investment Agreement but are estimates which were provided by First Media based on current intention and which are subject to change.

PART B. PRINCIPAL TERMS AND CONDITIONS OF THE BOND AND THE DEED OF PLEDGE OF SHARES

Principal terms and conditions of the Bond

The principal proposed terms of the Bond are set out below:

Issuer	:	First Media
Principal amount	:	Bond Price, to be issued in the aggregate principal amount of the Bond Price
Maturity Date	:	5th anniversary of the Completion Date
Interest	:	One per cent per annum in pay-in-kind (PIK) securities
Status	:	The Bond constitutes unconditional and unsubordinated obligations of First Media secured to the extent and in the manner as set out below.
Security	:	First Media's obligations under the Bond are secured in favour of the bondholder by way of pledge over the Option Shares pursuant to a share pledge to be granted by First Media. Further details are set out in the section headed "Deed of pledge of shares" below.

Cash distributions : Whenever First Media shall receive from Link Net any cash dividend or other cash distribution on or in respect of shares in Link Net with a record date prior to the redemption of the Bond, First Media shall make cash distributions to the bondholder based on the aggregate amount of cash dividend or cash distribution payable to all shareholders of Link Net multiplied by 0.151 (determined based on the expected percentage of the Option Shares out of the entire issued share capital of Link Net assuming full exercise of the Option).

The terms of the Proposed Transactions (including terms of the Investment Agreement, the Option Agreement and the Shareholders' Agreement) were negotiated on an overall basis and determined based on arm's length negotiations with the Investor (who is a party independent from the Company and its connected persons as defined in the GEM Listing Rules). Moreover, the exercise of the Option is mandatory. On this basis and in view of the benefits to be derived from the Proposed Transactions as detailed in the section headed "Part H. Reasons and benefits of the Proposed Transactions" of this letter, the Directors consider that such term on cash distributions to the Investor is fair and reasonable to the Company and its Shareholders as a whole.

Redemption : First Media shall redeem the Bond upon the earlier of (a) the delivery of a tag acceptance notice by any party to the Shareholders' Agreement in accordance with the Shareholders' Agreement; (b) the delivery of a default notice in accordance with the Shareholders' Agreement; (c) closing of the listing and initial public offering of shares in Link Net on the IDX; and (d) the maturity of the Bond.

Redemption Price : The redemption price is the amount of the face value of the Bond, which shall be satisfied on the applicable redemption date on and in accordance with the terms of the Bond.

Transferability	:	The Bond (including all of the rights and interests therein) is not assignable or otherwise transferable in whole or in part to any person without the prior written consent of First Media. In connection with any transfer of the Bond which is so permitted, the Bond shall be transferred in whole in accordance with the terms set out in the Bond Instrument.

The Investor, First Media and Link Net agree that IDR440,000,000,000 (equivalent to approximately HK$379,660,549) of the subscription money for the Bond of IDR722,310,112,156 (equivalent to approximately HK$623,256,031) shall, unless otherwise agreed between the Investor and First Media, be used and applied to fund the Vendor Loan on the Completion Date at and subject to Completion.

DEED OF PLEDGE OF SHARES

Under the terms of the Investment Agreement, First Media is required to deliver the Share Pledge duly executed by First Media to the bondholder, to secure the obligations of First Media under the Bond whereby First Media is to pledge the Option Shares and any additional shares of Link Net owned by First Media as a results of its holding of the Option Shares, together with the cash distributions (as defined in the Bond Instrument) to secure obligations under the Bond. The Share Pledge will remain in place for so long as any obligations under the Bond remain outstanding and is to be released on the redemption date of the Bond. The bondholder does not have any nomination rights with respect to directors or commissioners under the Bond or the Share Pledge. Pursuant to the Share Pledge, a power of attorney to vote, which grants to the attorney the right to exercise the voting rights of the Option Shares at general meetings of Link Net, is to be delivered to secure obligations under the Share Pledge upon the entering into of the Share Pledge.

PART C. THE REORGANISATION AND THE REORGANISATION AGREEMENT

(i) Background

First Media presently carries on the following businesses:

(a) the Network Business;

(b) the ISP Business;

(c) the Pay TV Business; and

(d) Sitra WiMAX.

As at the Latest Practicable Date, Link Net, a wholly-owned subsidiary of First Media, is the holder of an internet service provider licence, authorising it to carry on the ISP Business and carries on a business of providing broadband internet service access and leased line services. The Reorganisation contemplated under the Reorganisation Agreement is an internal agreement within the First Media Group pursuant to which First Media is to transfer to Link Net certain of the assets, liabilities, contracts, employees and undertakings in order for Link Net to carry on the Network Business, the ISP Business and the Pay TV Business. Being an internal reorganization exercise between First Media and its wholly-owned subsidiary, the entering into of the Reorganisation Agreement and transactions contemplated thereunder by First Media and Link Net is not subject to the notification, disclosure and approval requirements under Chapter 19 of the GEM Listing Rules.

Pursuant to the Reorganisation Agreement, First Media will, among other things, transfer certain of the assets, liabilities, contracts, employees and undertakings in order for Link Net to carry on the Network Business, the ISP Business and the Pay TV Business to Link Net and enter into certain other agreements with Link Net.

(ii) Consideration Payable

On completion of the Reorganisation Agreement, Link Net shall pay to First Media a reorganisation price comprising of (1) IDR1,187,694,000,000 (equivalent to approximately HK$1,024,819,446) for specified assets and businesses (i.e. the Reorganisation Initial Price) and (2) IDR85,383,000,000 (equivalent to approximately HK$73,673,992) for Additional Capex Related Items (which includes, amongst other things, pre-agreed capital expenditure which First Media may purchase and/or expend for the account of Link Net with respect to the Network and the Relevant Businesses to be transferred between the date of signing of the Investment Agreement and the date of Completion, and as the assets purchased with such pre-agreed capital expenditure by First Media will also be transferred to Link Net, Link Net will also make payment for such capital expenditure related items), in each case as may be adjusted by agreement of the parties based on the result of the appraisal to be conducted by an appraisal company registered with the Bapepam and to be appointed by First Media in accordance with requirements under applicable IDX listing rules and/or Bapepam regulations prior to the general meeting of shareholders of First Media, being the pre-closing audit. It was stated in the announcement of the Company dated 6th May, 2011 that based on the independent valuation, there will be no adjustment to the Reorganisation Final Price (comprising of the Reorganisation Initial Price and the amount payable for the Additional Capex Related Items).

In addition to the pre-closing audit, within 10 days from the date of completion of the Reorganisation Agreement, an independent auditor will be appointed by Link Net to conduct a post audit examination to determine the value of Additional Capex Related Items as of the day of completion. If such value differs from the original Additional Capex Related Items amount by more than 5%, a post closing adjustment will be made whereby the amount of such difference shall be paid in full by the applicable party to the other party (in either cash or to be set off against any inter-company payables and/or receivables outstanding at the time (if any)) in accordance with the terms of the Reorganisation Agreement as a post-closing adjustment.

Completion of the Reorganisation pursuant to the Reorganisation Agreement is intended to take place promptly after satisfaction or waiver of certain completion conditions (which includes, without limitation, the obtaining of specified level of third party consents with respect to contracts and/or other asset to be transferred) and every commercially reasonable effort shall be made by the parties to the Reorganisation Agreement to ensure that the completion occurs not later than 31st July, 2011.

Key conditions precedent for the completion of the Reorganisation Agreement includes the following:

(a) Link Net shall have obtained approval from the Minister of Law and Human Rights of the Republic of Indonesia for the amendment of its Articles of Association changing Link Net's business objectives and purposes to include business management and/or consultancy management services;

(b) Link Net shall have obtained approval from Bapepam with respect to the change of its status to a foreign investment company, being a Penanaman Modal Asing (PMA) company;

(c) Link Net shall have obtained the Link Net's network operational license which shall be materially the same as the existing network operational license held by First Media; and

(d) First Media shall have obtained consents and/or approvals in respect of certain specified loans, categories of customer contracts, supplier contracts and other third party contracts based on specified thresholds for each category of contracts.

(iii) Business of Link Net and First Media after the Reorganisation

On completion of the Reorganisation, Link Net shall commence the operation of the ISP Business and terminate certain existing agreements previously signed with First Media regarding the ISP Business. In addition, Link Net shall commence the operation of the Pay TV Business for and on behalf of FMTV, and terminate the existing cooperation agreement with First Media. A new marketing and distribution agreement will be entered into between FMTV and Link Net, pursuant to which FMTV will cooperate with Link Net for the purpose of, among others, marketing and distribution of the Pay TV Business by Link Net on behalf of FMTV. In relation to the operation of the Network Business, ISP Business and Pay TV Business by Link Net on and after completion of the Reorganisation Agreement and the continued business operation of each of First Media and/or its subsidiary on or after completion, First Media and/or its subsidiary and Link Net will enter into a network utilization and cooperation agreement (in accordance with the principal terms and conditions as set out in a term sheet attached to the Reorganisation Agreement) for (i) the utilization of the Network by First Media and/or its subsidiary; and (ii) the provision of access to internet services by Link Net to First Media and/or its subsidiary for the ongoing and/or future business operation including Sitra WiMAX of First Media and/or its subsidiary.

Upon completion of the Reorganisation and the Proposed Transactions, First Media will continue to be highly involved in the management, decision-making and operation in the Relevant Businesses.

PART D. THE SHAREHOLDERS' AGREEMENT

First Media, Link Net, FMTV and the Investor have entered into the Shareholders' Agreement to regulate the respective shareholders' rights and obligations of First Media and the Investor (and/or any other person who holds any share in Link Net and becomes a party to the Shareholders' Agreement) in Link Net and FMTV after completion of the respective subscription of the LN Subscription Shares and the FMTV Subscription Shares. Set out below is a summary of the key terms of the Shareholders' Agreement:

Provisions subject to prevailing laws and listing rules	:	The provisions of the Shareholders' Agreement are expressly stated to be subject to applicable laws (including without limitation to requirements under the GEM Listing Rules applicable to the Company for so long as the Company remains to be the holding company of First Media and listed on the Growth Enterprise Market of the Stock Exchange).
Governance and Management of Board of Directors	:	**Link Net Board of Directors** The board of directors of Link Net shall be made up of a minimum of five directors and up to maximum of six directors. Each shareholder shall be entitled to nominate for election and have appointed such number of directors to the board based on its relevant proportion of shareholding in Link Net as determined in accordance with the Shareholders' Agreement, provided always that for so long as the relevant proportion of a shareholder and its affiliates is not less than a specified percentage (that is, 10%), such shareholder shall be entitled to nominate for election and have appointed at least one director to the board of directors. The shareholder who (together with its affiliates) holds the greater number of shares in Link Net based on the relevant proportion shall be entitled to nominate for election and have appointed a majority of the directors. Upon or as soon as practicable after completion of the subscription of the LN Subscription Shares, the board of directors will change from the existing composition and is intended to comprise of three directors to be nominated by First Media and the remaining two by the Investor.

Governance and Management of Board of Commissioners	:	**Link Net Board of Commissioners** The board of commissioners shall act as the supervisory body of Link Net and shall be made up of five commissioners, with one president commissioner and four commissioners. Each shareholder shall be entitled to nominate for election and have appointed such number of commissioners to the board of commissioners based on its relevant proportion of shareholding in Link Net as determined in accordance with the Shareholders' Agreement, provided always that for so long as the relevant proportion of a shareholder and its affiliates is not less than a specified percentage (that is, 10%), such shareholder shall be entitled to nominate for election and have appointed at least one commissioner to the board of commissioners. In the case where Link Net has become a public company, at least one independent commissioner in addition to the one commissioner referred to as above shall be appointed by First Media, and likewise for the Investor and its affiliates. The shareholder who (together with its affiliates) holds the greater number of shares in Link Net based on the relevant proportion shall be entitled to nominate for election a majority of the commissioners excluding the independent commissioners (if any). Upon or as soon as practicable after completion of the subscription of the LN Subscription Shares, the board of commissioners will change from the existing composition and is intended to comprise of three commissioners to be nominated by First Media and the remaining two by the Investor.
Protective covenants	:	Each shareholder undertakes with Link Net, for itself and as agent and trustee for each other Link Net group company, and separately with the other shareholder, to grant certain non-competition undertakings for itself and on behalf of its affiliates with respect to the Relevant Businesses provided that, amongst other things, it is expressly clarified that First Media is not prohibited from carrying on Sitra WiMAX or the Other Businesses.

Exit Events	:	Subject to applicable laws (including without limitation to requirements under the GEM Listing Rules applicable to the Company for so long as the Company remains to be the holding company of First Media and listed on the Growth Enterprise Market of the Stock Exchange), the parties agree to, on a best effort basis, procure and conduct certain exit events with respect to Link Net, in each case on and subject to the terms of the Shareholders' Agreement.
Issue and Transfer of Shares	:	**Issue of new shares of Link Net:** The parties to the Shareholders' Agreement agree, insofar as permitted by law, to procure that neither Link Net nor any Link Net group company shall issue any new shares in its capital without the prior approval of each of First Media and the Investor in accordance with the provisions as set out in the Shareholders' Agreement. **Restrictions on transfer, right of first offer, tag-along rights and drag along rights:** The Shareholders' Agreement provides for a one year lock-up period prohibiting transfer of shares in Link Net other than certain permitted transfers pursuant to specified events. After the one year lock-up period, any transfer of shares in Link Net (other than pursuant to certain specified events (including exit events, change of control, permitted transfer to affiliates, buy-out on default or under the Option), will be subject to right of first offer obligations, tag along rights and/or drag along rights, in each case subject to the terms and conditions as set out in the Shareholders' Agreement. **Permitted First Media transfer:** First Media is entitled to transfer at any time in one transaction such number of shares in Link Net as represent 21% of all shares in issue as at the date of such transfer without the consent of the other shareholders notwithstanding the lock-up period but subject to right of first offer obligations in the Shareholders' Agreement.

Capital Financing and Use of Funds	:	If and to the extent that the Link Net group requires funding for any reason, the shareholders agree that, any such funding shall to the extent feasible be secured by way of appropriate third party debt finance. The shareholders shall not be required to provide any additional funding or credit support to the Link Net group of any nature whatsoever, unless otherwise agreed by that shareholder in writing.
Provisions Specific for FMTV	:	**General:** Save for certain specified excluded matters (such as to procure an initial public offering), the provisions of the Shareholders' Agreement being applicable to governance of Link Net shall apply mutatis mutandis to FMTV. **Governance and management of FMTV:** Each shareholder shall be entitled to nominate for election and have appointed such number of directors and commissioners to FMTV as it does to the board of directors and board of commissioners of Link Net as set out above. Upon or as soon as practicable after completion of the subscription of the FMTV Subscription Shares, both the board of directors and board of commissioners will change from the existing composition and are intended to comprise, respectively, of three directors and commissioners to be nominated by First Media and the remaining two by the Investor. The management team of Link Net shall also manage FMTV and its business. The minimum percentage of interest of a shareholder and its affiliates required for nomination of directors and commissioners is 10%. **Transfers of FMTV shares:** Amongst other things, it is provided that so long as both First Media (and/or its affiliates) and the Investor (and/or its affiliates) remain as parties to the Shareholders' Agreement, no shares in FMTV may be transferred to any person. In the case of exit by a shareholder, the remaining shareholder will have right to acquire shares of FMTV held by such exiting shareholder.

Reserved Matters : The Shareholders' Agreement provide for specified reserved matters which are subject to approval of shareholders or applicable governing bodies of Link Net (or its group company).

In particular, for so long as the Company remains as the holding company of First Media and to the extent the relevant proportion of First Media is not less than 10%, any action which would result in a breach by a shareholder or its shareholder of the requirements and listing rules applicable to and binding on the Company is a reserved matter.

Events of Default : Customary standard events of default including material breach, cross defaults, liquidation and litigation events are included in the Shareholders' Agreement. The consequences of breach include suspension of rights, termination and/or buy-out rights.

Termination : The Shareholders' Agreement will terminate on earlier of:

(1) the termination of the Investment Agreement;

(2) on listing date of a Qualifying IPO (as defined in the Shareholders' Agreement), being an IPO pursuant to which 30% or more of the total number of Link Net shares in issue immediately prior to the IPO are in aggregate offered, placed and/or otherwise sold at an offering price as agreed between the Investor and the underwriters of such IPO;

(3) completion of a buy out after an event of default on and in accordance with the terms of the Shareholders' Agreement, which provides that upon occurrence of events of default, the non-defaulting shareholder has a right to buy out the other shareholder;

(4) upon a shareholder's interest dropping below a specified percentage,that is, the provisions of the Shareholders' Agreement shall terminate upon a shareholder's interest dropping below 10%;

(5) by mutual agreement;

(6) certain liquidation events; or

(7) service of a termination notice on default.

PART E. FINANCIAL INFORMATION OF LINK NET AND FMTV AND USE OF PROCEEDS

(i) Financial information of Link Net and FMTV

As set out in "Part C. The Reorganisation and the Reorganisation Agreement" of this letter, after the Reorganisation, Link Net will carry on the Network Business, the ISP Business, the Pay TV Business and its existing business of providing broadband internet service access and leased line services.

As set out in Appendix I of this circular, based on the accounting policies of the Group adopted in the preparation of the Company's consolidated financial statements, which conform with International Financial Reporting Standards, Link Net recorded (a) profit before tax of approximately HK$6.7 million, HK$1.0 million and HK$5.6 million respectively for the three years ended 31st December, 2008, 2009 and 2010; and (b) profit after tax of approximately HK$6.7 million, HK$0.8 million and HK$4.4 million respectively for the three years ended 31st December, 2008, 2009 and 2010. Link Net did not record extraordinary items for the three years ended 31st December, 2008, 2009 and 2010. The net assets value of Link Net computed in accordance with the accounting policies of the Group adopted in the preparation of the Company's consolidated financial statements, which conform with International Financial Reporting Standards, was approximately HK$116.6 million as at 31st December, 2010.

As set out in Appendix I of this circular, based on the accounting policies of the Group adopted in the preparation of the Company's consolidated financial statements, which conform with International Financial Reporting Standards, FMTV recorded profit before tax of approximately HK$0.1 million and HK$0.1 million respectively for the two years ended 31st December, 2009 and 2010. FMTV did not record tax and extraordinary items for the two years ended 31st December, 2009 and 2010. FMTV also did not record profit before or after tax and extraordinary items for the period from 9th October, 2008 (date of incorporation) to 31st December, 2008. The net asset value of FMTV computed in accordance with the accounting policies of the Group adopted in the preparation of the Company's consolidated financial statements, which conform with International Financial Reporting Standards, was approximately HK$2.3 million as at 31st December, 2010.

As set out in Appendix I of this circular, based on the accounting policies of the Group adopted in the preparation of the Company's consolidated financial statements, which conform with International Financial Reporting Standards, the Relevant Businesses and Link Net and FMTV recorded (a) profit before tax of approximately HK$40.5 million, HK$101.1 million and HK$280.0 million respectively for the three years ended 31st December, 2008, 2009 and 2010; and (b) profit after tax of approximately HK$40.5 million, HK$99.9 million and HK$271.0 million respectively for the three years ended 31st December, 2008, 2009 and 2010. The Relevant Business and Link Net and FMTV did not record extraordinary items for the three years ended 31st December, 2008, 2009 and 2010. The net assets value of the Relevant Businesses and Link Net and FMTV computed in accordance with the accounting policies of the Group adopted in the preparation of the Company's consolidated financial statements, which conform with International Financial Reporting Standards was approximately HK$1,042.6 million as at 31st December, 2010.

Following Completion (and assuming the exercise of the Option in full), both Link Net and FMTV will remain as non-wholly owned subsidiaries of the Company. Accordingly, the results of Link Net and FMTV groups will continue to be consolidated into the accounts of the Group.

The following table illustrates the shareholding structure of Link Net (a) as at the Latest Practicable Date; (b) immediately upon Completion but before exercise of the Option; and (c) upon Completion and full exercise of the Option.

	As at the Latest Practicable Date *(approximate %)*	**Immediately upon Completion but before exercise of the Option** *(approximate %)*	**Upon Completion and full exercise of the Option** *(approximate %)*
First Media	100.0	66.1	51.0
Investor	—	33.9	49.0
Total	100.0	100.0	100.0

Note: Pursuant to the Investment Agreement, the number of the LN Subscription Shares and the Option Shares shall not exceed 49% of the enlarged issued share capital of Link Net on fully diluted basis.

(ii) Use of proceeds

Out of the Aggregate Subscription Price of IDR2,351,013,377,193 (equivalent to approximately HK$2,028,606,885) to be received by First Media, Link Net and FMTV from the Investor under the Proposed Transactions, the amount of IDR1,627,703,265,037 (equivalent to approximately HK$1,404,487,989) to be received from the Investor for the LN Subscription Shares will be used and applied as currently set out in the section headed "Part A. The Investment Agreement" of this letter. An amount of IDR440,000,000,000 (equivalent to approximately HK$379,660,549) out of the Bond subscription money will be used to fund the Vendor Loan. The remaining proceeds will be used in FMTV's general working capital and achieving First Media's expansion and growth plans, including investment in Sitra WiMAX, the Other Businesses, purchase of equipment and working capital. The proceeds from the exercise of the Option Shares, with an expected maximum amount of approximately IDR797.1 billion (equivalent to approximately HK$687.8 million) as detailed in "Part A. The Investment Agreement" of this letter, is intended to be used for repayment of the Bond.

PART F. INFORMATION ON THE COMPANY, FIRST MEDIA, LINK NET AND FMTV

The Company is an investment holding company with its business principally carried out by the First Media Group.

First Media presently carries on the following businesses of (a) the Network Business; (b) the ISP Business; (c) the Pay TV Business; (d) Sitra WiMAX; and (e) certain of the Other Businesses prior to closing of the Reorganisation, and it is the holding company of each of Link Net and FMTV. The shares of First Media are listed and traded on the IDX.

Link Net, currently a wholly-owned subsidiary of First Media, carries on a business of providing broadband internet service access and leased line services prior to closing of the Reorganisation.

FMTV, currently a wholly-owned subsidiary of First Media, holds a Pay TV Licence authorising it to engage in the business of providing cable television in Jakarta, Bogor, Depok, Tangerang, Bekasi (Jabodetabek), Surabaya and Bali Indonesia for a periodic subscription fee, which is delivered using the Network.

PART G. INFORMATION ON THE INVESTOR

The Investor is an investment holding company which is wholly-owned and controlled by CVC Capital Partners Asia Pacific III L.P. and CVC Capital Partners Asia Pacific III Parallel-A, L.P. CVC Capital Partners ("CVC") is a leading global private equity firm managing over US$43 billion in funds. CVC was founded in 1981 and has a network of 20 offices throughout Europe, Asia and the United States. CVC has completed over 250 investments across a wide range of industries and countries. CVC Asia Pacific has been one of the most active private equity investors in the region and is currently investing dedicated Asian funds of approximately US$6.8 billion. CVC has extensive experience in the media sector, including Formula One (the world's leading motor sport management business), Nine Entertainment (the largest integrated media group in Australia) and Operador R (a leading Spanish fibre cable network operator). CVC's current Asia Pacific portfolio includes Matahari Department Store (a leading department store chain in Indonesia), Magnum (the leading lottery operator in Malaysia), Sun Hung Kai (Hong Kong's leading retail brokerage house and consumer finance company) and Zhuhai Zhongfu (China's largest beverage packaging company). To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, the Investor (including any of its designees to be nominated by the Investor for the purpose of the Investment Agreement) and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules).

PART H. REASONS AND BENEFITS OF THE PROPOSED TRANSACTIONS

Indonesia's strong economic growth of recent years continued to spurt forward, with GDP growth hitting 6.1% in 2010. GDP growth for the first quarter of 2011 on a year-to-year basis is 6.5%. This makes Indonesia one of the fastest growing economies in the world. The strong economic growth has created a booming and rapidly growing middle class in Indonesia. This is the income class that has a propensity to spend on consumption and investment. Furthermore, Indonesia's economic growth comes on the back of a growing younger population with the majority of its 240 million people falling below 30-years-of-age. The Indonesian growth phenomenon has translated into a consumption and investment boom reflected in the growing demand for quality lifestyle which invariably involves consumers and corporates demanding better and faster broadband Internet access, better quality cable TV in variety and content and better data communication services as well as the latest information and communication technology and devices.

The Company through its First Media Group, a leading broadband and multimedia services provider in Indonesia, stands to benefit greatly and potentially from Indonesia's booming economy and strong economic growth.

Indonesia's rapid economic growth of recent years has indeed provided the Board and the Company with the opportunity to create value for and enhance investment return to its Shareholders, who also expect this in return for their valuable support over years. Back in 2009, the Company returned value to the Shareholders through the distribution of "dividend in specie" by way of handing over the Company's holding of PT Multipolar Tbk (a then non-wholly owned subsidiary of the Company) shares to the Shareholders. How much a Shareholder would have gained would depend on the Shareholder's decision on the holding or disposal of its/his/her allocation of such shares. To continue with the pursuit of the same objectives for the Shareholders, the Board acknowledges that the First Media Group has successfully positioned itself as the premier multimedia services provider in Indonesia and is committed to maintaining this leading position. The First Media Group is the only multimedia services provider in Indonesia to offer broadband Internet and digital-quality cable TV services through a two-way HFC (Hybrid Fibre Coaxial) network, and is also the first pay-TV network in Indonesia to offer HD (High Definition) TV programs.

To tap the rising demand for its wide range of services, the First Media Group has been strengthening its "Triple-play" services namely, FastNet, HomeCable and DataComm, by undergoing and focusing on network expansion and utilisation, through increasing bandwidth and penetration rate, raising customer satisfaction and offering of new program packages, such as HD cable TV programs. In addition, the First Media Group has been expanding into the most advanced wireless broadband operation. In this regard, it plans to make a grand launch of the latest high speed 4G Sitra WiMAX, having made a successful soft launch in 2010. It is predicted that Sitra WiMAX and the Other Businesses will become strong revenue contributors for the Group in coming years. With Sitra WiMAX, First Media is poised to become the dominant Quadruple-play services provider in Indonesia.

However, implementing the above lucrative business expansion plans requires substantial capital investments by the First Media Group. Both the First Media Group and the Company will be required to make available substantial additional financial resources to support such expansion plans. Whilst a further rights issue is an option, the appetite for a further rights issue by First Media, so soon after the one successfully made in 2010, would be difficult to ascertain. At the Company level, a further rights issue would require a substantial contribution of funds from the Company by way of pro-rata subscription in order to maintain its controlling interest in First Media. The Board believes that a further rights issue would not be the appropriate option for the Company at the present time.

First Media has engaged Bank of America Merrill Lynch ("BofAML") in the last quarter of 2010 to conduct a strategic review on best strategies for the development and strengthening of First Media's businesses, including the Relevant Businesses and the Other Businesses. As a result of the review, BofAML has recommended, among other things, that First Media should (i) invite investment from potential strategic participants who have expressed interest in participating in the expansion of First Media's businesses; and (ii) take advantage of the business opportunities proposed by potential strategic partners through the forming of suitable business alliances.

In following up on BofAML's recommendations, the First Media Group has been undertaking an ongoing process of identifying potential strategic partners of the First Media Group relating to its existing businesses or parts thereof. As a part of this process, First Media has identified the Investor as a suitable strategic partner, and after some intensive but amicable negotiations, both parties have reached agreement on the Proposed Transactions. Taking regard of CVC's financial strength and significant experience in technology, telecommunications and cable networks, a summary of which is set out in the section headed "Part G. Information on the Investor" of this letter, First Media is confident that the Investor has both the funding capability and industry expertise to support First Media, Link Net and FMTV's expansion and continuous leadership in their respective market segments. The Board and the corresponding board at First Media are mutually of the view that the Proposed Transactions taken together offer the best way forward to achieve the growth ambitions and assist in meeting the funding requirements of First Media, Link Net and FMTV for their future expansion and growth. The identification of potential strategic partners by the First Media Group for and/or in respect of the Other Businesses and the growth of such businesses remains to be a continuing process and the First Media Group is open to further investments with or by potential strategic partners should the appropriate opportunity arises.

The strategic review being undertaken by BofAML is an on going exercise and includes a review of one of the Other Businesses, being Sitra WiMAX. First Media is considering the recommendations received to date from BofAML in relation to certain of the Other Businesses (being amongst other things, considering investment from potential strategic participants) and intends to, should the appropriate opportunity arise, follow such recommendations, which as referred to above includes inviting investment from potential strategic participants and to take advantage of business opportunities proposed by potential strategic partners. BofAML has identified certain potential strategic participants by providing on a confidential basis an information package of the Sitra WiMax business. The information package is being reviewed by potential strategic participants and some of whom have shown expressions of interest and First Media will explore further such interest with the recommendation and advice of BofAML. Should any transaction materialise, such transaction will be subject to compliance with the GEM Listing Rules and will be announced accordingly.

As at the Latest Practicable Date, save as disclosed above, the Group (a) has no intention; and (b) has not entered into any agreement, contracts or arrangement to further dispose/discontinue the existing business, operations and the major assets of the Group.

The total proceeds to be received by First Media, Link Net and FMTV from the Investor for the subscription of the Bond, the LN Subscription Shares and the FMTV Subscription Shares upon Completion will total IDR2,351,013,377,193 (equivalent to approximately HK$2,028,606,885). The proceeds to be received by First Media upon the exercise of the Option will be the Option exercise price. The First Media Group will be able to rely on these substantial funds for strengthening its capital structure, and for use in achieving its expansion and growth plans, including investment in Sitra WiMAX (as described below), the Other Businesses and working capital. Details of use of proceeds are set out in "Part E. Financial information of Link Net and FMTV and use of proceeds" of this letter.

The Board believes that the transfer of the Relevant Businesses of First Media to Link Net pursuant to the Reorganisation will free up financial and management resources of First Media, which will be re-assigned to focus, promote and expand Sitra WiMAX as well as development of the Other Businesses. The Board and the corresponding board at First Media believe that Sitra WiMAX and the Other Businesses holds great promise for expansion and growth which will be new growth platforms for First Media.

The Investor's monetary injections into the First Media Group in return for the substantial minority 49% shareholding in Link Net and 20% shareholding in FMTV upon Completion and full exercise of the Option will result in a deemed disposal advantage as described below. This has happened because the Investor is pricing Link Net based on a value, taking into consideration, among other things, prospects of the Relevant Businesses to be carried out by Link Net after the Reorganisation. In effect, the Proposed Transactions, by marking the Relevant Businesses with a substantially higher price compared to the net assets value of Link Net and FMTV have helped to unlock the inherent value of First Media in which the Company has a 55.1% shareholding and in that way crystalise the value of the Company to its Shareholders.

Pursuant to the GEM Listing Rules, the Group has preliminarily estimated that it will be able to recognise a deemed disposal advantage of approximately HK$1,282.6 million upon Completion and full exercise of the Option. Such figure represents the sum of the proceeds to be received from full exercise of the Option of IDR722,310,112,156 (equivalent to approximately HK$623,256,031) and the difference between (a) the aggregate amount of the respective equity interests in the proceeds to be received from the issue of the Link Net Subscription Shares (i.e. 51% of IDR1,627,703,265,037 (equivalent to approximately

HK$1,404,487,989)) and the FMTV Subscription Shares (i.e. 80% of IDR1,000,000,000 (equivalent to approximately HK$862,865)) to be entitled by First Media; and (b) the aggregate amount of the respective equity interests in the net assets value after the Reorganisation but before the receipt of the LN Price and FMTV Price, as prepared in accordance with the International Financial Reporting Standards, of Link Net (i.e. 49% of approximately HK$116.6 million) and FMTV (i.e. 20% of approximately HK$2.3 million) to be entitled by the Investor. However, pursuant to the Indonesian GAAP and based on the pro forma financial information reviewed by local auditor of First Media, First Media will not be required to recognise the deemed disposal advantage immediately upon Completion. The actual gain on the Proposed Transactions to be recognised by the Group can only be calculated by reference to, among other things, the financial position of Link Net and FMTV at the time of Completion and may therefore be different from the above preliminarily estimated figure.

As the increased valuations will permeate up to the peak holding company, the Board is also interested in the increased valuation at the Group level. The Company has estimated that its deemed disposal advantage upon Completion and full exercise of the Option will be approximately HK$1,282.6 million.

As both Link Net and FMTV will remain subsidiaries of First Media after Completion and assuming full exercise of the Option, the net assets and results of Link Net and FMTV will continue to be consolidated into the accounts of the Group. Accordingly, the Company will through its controlling stake in First Media continue to participate in the future prospects and business development of Link Net and FMTV and be able to continue to share in any future "unlocking" of the inherent value of the Relevant Businesses and the Company.

Members of the First Media Group are the principal operating subsidiaries of the Company contributing most of the earnings, cash flows and assets of the Group. With the Proposed Transactions expected to transform the First Media Group into a more dynamic and profitable business enterprise, the Board is of the view that the profitability of the First Media Group can be expected to improve which the Company is hopeful that First Media may find itself able and willing to make a distribution of dividends to its shareholders. If this materialises, the Company will be in a better position to return value to the Shareholders by way of dividends or other distributions subject to the financial position of the Company.

The aggregate consideration for the LN Subscription Shares, FMTV Subscription Shares and the Option Shares of approximately IDR2,351 billion (equivalent to approximately HK$2.0 billion) was determined after arm's length negotiations between the parties to the Investment Agreement after considering, among other things, the historical performance and future prospects of the businesses of Link Net and FMTV after the Reorganisation. The aggregate of the respective equity interests in the unaudited pro forma EBITDA of Link Net and FMTV, prepared in accordance with the Indonesian GAAP, was approximately IDR189.4 billion (equivalent to approximately HK$163.4 million) for the financial year ended 31st December, 2010. Therefore, the aggregate consideration represents a historical EBITDA multiple of approximately 12.4 times.

Reference is also made to the EBITDA multiples of recent selected transactions related to acquisitions in the multimedia sector (which involved companies with businesses of similar nature as those of the First Media Group) in Asia region with EBITDA multiples approximately in the range of 10 times to 15 times based on publicly available information. The Bond Price was determined after considering factors including the funding needs of First Media as well as the Vendor Loan amount. Accordingly, the Board considers both the aggregate consideration and the Bond Price to be fair and reasonable. The independent valuation, as set out in the section headed "Subscription Adjustments" in the section headed "Part A. The Investment Agreement" of this letter, was conducted after the signing of the Investment Agreement, and therefore, in determining the amount of the total consideration to be received under the Proposed Transactions, reliance has not been/will not be made on the independent valuations conducted/to be conducted with respect to the Reorganisation. However, the independent valuation will be taken into account for the determination of the Reorganisation Final Price.

Based on the above, the Board considers that the terms of the Investment Agreement, the Shareholders' Agreement, the Reorganisation Agreement, the Option Agreement, the Vendor Loan Agreement, the Bond instrument and the Share Pledge (which have been agreed after arm's length negotiations between the First Media Group and the Investor), are on normal commercial terms which are fair and reasonable, and that entering into of the Proposed Transactions and the Shareholders' Agreement together with the exercise of the Option (as and when it is exercised in accordance with its terms) is and will be in the best interests of the Company and the Shareholders as a whole.

PART I. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS ON THE GROUP

Immediately upon Completion and after full exercise of the Option, both Link Net and FMTV will remain as subsidiaries of First Media. Accordingly, the net assets and results of Link Net and FMTV will continue to be consolidated into the accounts of the Group.

As set out in the 2010 annual report of the Company, the Group had audited total asset value of approximately HK$1,493.6 million as at 31st December, 2010. After Completion and assuming the exercise of the Option, the unaudited pro forma total asset value of the Group was approximately HK$3,522.2 million as shown in Appendix II — "Unaudited pro forma financial information on the Group". The increase was mainly attributable to the receipt of the Aggregate Subscription Price of approximately HK$2,028.6 million. The Group had audited net current liability value of approximately HK$569.8 million as at 31st December, 2010, and would recorded unaudited pro forma net current asset value of approximately HK$1,449.2 million as shown in Appendix II — "Unaudited pro forma financial information on the Group" as a result of the receipt of the Aggregate Subscription Price.

At the grant of the Option, the Option will be recognised as financial asset in the consolidated statement of financial position the Company and measured at fair value which shall be determined by a valuer. The subsequent fair value change will be recognised as profit or loss in the consolidated income statement of the Company.

Since the Bond with interest rate of 1% per annum would be issued by First Media upon Completion, the level of liability and finance costs of the Group would increase.

As disclosed in the section headed "Part H. Reasons and benefits of the Proposed Transactions" above, the Directors estimate that the Company will recognise a deemed disposal advantage of approximately HK$1,282.6 million upon Completion and full exercise of the Option. Immediately upon Completion and after full exercise of the Option, both Link Net and FMTV will remain as subsidiaries of First Media. Pursuant to International Accounting Standard 27 (Revised) "Consolidated and Separate Financial Statements", such deemed disposal advantage arising from changes in the Company's ownership interests in subsidiaries that do not result in a loss of control is accounted for as equity transaction. Such deemed disposal advantage shall not be recorded in the income statement of the Company. Accordingly, the unaudited deemed disposal advantage will be allocated to owners of the Company of approximately HK$706.8 million and non-controlling shareholders of First Media of approximately HK$575.8 million as stated in Appendix II — "Unaudited pro forma financial information on the Group". The Group recorded audited loss attributable to the Shareholders of approximately HK$33.1 million for the year ended 31st December, 2010. After Completion, the Investor shall become non-controlling shareholder of both of Link Net and FMTV. Accordingly, the Investor shall share results of Link Net (after taking into account interest payable of the Vendor Loan) and the results of FMTV. As a result of the share of results by the Investor, and the costs for the Proposed Transactions and the Reorganisation incurred or to be incurred by the Group, the unaudited pro forma loss attributable to the owners of the Company would be approximately HK$141.8 million as shown in Appendix II — "Unaudited pro forma financial information on the Group".

PART J. IMPLICATIONS UNDER THE GEM LISTING RULES

As the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Proposed Transactions together with the exercise of the Option exceed 75%, the Proposed Transactions together with the exercise of the Option constitute a very substantial disposal for the Company under the GEM Listing Rules. Accordingly, the proposed transactions contemplated under the Investment Agreement which includes the subscription of the LN Subscription Shares, the FMTV Subscription Shares and the Bond (including the grant of the Share Pledge), the grant of the Option under the Option Agreement and the making of the Vendor Loan, together with the exercise of the Option, are subject to the reporting, announcement, and Shareholders' approval requirements at the EGM.

EGM

The Company will convene the EGM at No. 4, Ground Floor, Lippo Centre, 89 Queensway, Hong Kong on 26th May, 2011, at 10:00 a.m. at which ordinary resolution will be proposed for the purpose of considering and, if thought fit, to approve the proposed transactions contemplated under the Investment Agreement which includes the subscription of the LN Subscription Shares, the FMTV Subscription Shares and the Bond (including the grant of the Share Pledge), the grant of the Option under the Option Agreement and the making of the Vendor Loan, together with the exercise of the Option.

A notice convening the EGM is set out on pages 106 to 107 of this circular. There is enclosed with the circular to which this letter forms part a proxy form for use at the EGM. Whether or not you are able to attend the EGM or any adjournment thereof, you are requested to read the notice and complete and return the proxy form in accordance with the instructions printed thereon to 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 as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. In the event that a Shareholder having lodged a proxy form attends the EGM in person, his/her proxy form will be deemed to have been revoked.

To the best of the knowledge and belief of the Directors having made all reasonable enquiry, no Shareholder has a material interest in the matters which are the subject of the Proposed Transactions, together with the exercise of the Option, such that it must abstain from voting, and, accordingly, all Shareholders are permitted to vote at the EGM.

RECOMMENDATIONS

The Board considers that the terms of the Investment Agreement, the Shareholders' Agreement, the Reorganisation Agreement, the Option Agreement, the Vendor Loan Agreement, the Bond instrument and the Share Pledge (which have been agreed after arm's length negotiations between the First Media Group and the Investor), are on normal commercial terms which are fair and reasonable, and that entering into of the Proposed Transactions and the Shareholders' Agreement together with the exercise of the Option (as and when it is exercised in accordance with its terms) is and will be in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices of this circular.

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

Set out below are (a) (in Part A of the Appendix I of this circular) the consolidated statements of financial position of the Group as at 31st December, 2008, 2009 and 2010 and the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for each of the three years ended 31st December, 2010 (the "Relevant Periods") which are extracted from the Company's respective published annual reports and the unaudited combined financial information of the Relevant Businesses and Link Net and FMTV set out in note 3 to the Financial Information of the Group (hereinafter collectively referred to as the "Financial Information of the Group"); (b) (in Part B of the Appendix I of this circular), the unaudited statements of financial position of Link Net as at 31st December, 2008, 2009 and 2010 and the unaudited statements of comprehensive income, statements of changes in equity and statements of cash flows of Link Net for the Relevant Periods (hereinafter collectively referred to as the "Financial Information of Link Net"); and (c) (in Part C of the Appendix I of this circular) the unaudited statements of financial position of FMTV as at 31st December, 2008, 2009 and 2010 and the unaudited statements of comprehensive income, statements of changes in equity and statements of cash flows of FMTV for the period from 9th October, 2008 (date of incorporation) to 31st December, 2008 and the years ended 31st December, 2009 and 2010 (hereinafter collectively referred to as the "Financial Information of FMTV"), which have been reviewed by the Company's auditor, RSM Nelson Wheeler, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants and concluded that nothing has come to their attention that causes them to believe that the Financial Information of the Group, Financial Information of Link Net and Financial Information of FMTV is not prepared, in all material respects, in accordance with the accounting policies of the Group adopted in the preparation of the Company's consolidated financial statements, which conform with International Financial Reporting Standards.

A. FINANCIAL INFORMATION OF THE GROUP AND THE RELEVANT BUSINESSES

FINANCIAL INFORMATION

The following financial information of the Group is extracted from the Company's published annual reports for the three years ended 31st December, 2008, 2009 and 2010.

I. CONSOLIDATED INCOME STATEMENTS

	Year ended 31st December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Continuing operations			
Turnover	428,548	537,147	708,984
Cost of sales and services rendered	(206,107)	(216,900)	(154,520)
Gross profit	222,441	320,247	554,464
Other income	4,354	379	5,384
Waiver of other payables	—	135,403	—
Fair value loss on derivative financial instruments	(18,936)	—	(502)
Net foreign exchange (losses)/gains	(80,079)	81,210	24,757
Selling and distribution costs	(49,815)	(36,759)	(44,912)
General and administrative expenses	(190,618)	(275,400)	(463,244)
(Loss)/profit from operations	(112,653)	225,080	75,947
Finance costs	(53,194)	(65,486)	(73,197)
(Loss)/profit before tax	(165,847)	159,594	2,750
Income tax credit/(expense)	28,760	(21,672)	(20,470)
(Loss)/profit for the year from continuing operations	(137,087)	137,922	(17,720)
Discontinued operations			
(Loss)/profit for the year from discontinued operations	(88,271)	159,515	—
(Loss)/profit for the year	(225,358)	297,437	(17,720)
Attributable to:			
Owners of the Company	(119,656)	162,234	(33,145)
Non-controlling interests	(105,702)	135,203	15,425
	(225,358)	297,437	(17,720)

II. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31st December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
(Loss)/profit for the year	(225,358)	297,437	(17,720)
Other comprehensive income:			
Exchange differences on translating foreign operations	(452,859)	36,076	5,445
Fair value changes of available-for-sale financial assets	(53,606)	21,799	—
Cash flow hedges	(12,741)	3,069	—
Other comprehensive income for the year, net of tax	(519,206)	60,944	5,445
Total comprehensive income for the year	(744,564)	358,381	(12,275)
Attributable to:			
Owners of the Company	(212,346)	186,950	(31,058)
Non-controlling interests	(532,218)	171,431	18,783
	(744,564)	358,381	(12,275)

III. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	At 31st December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Non-current assets			
Property, plant and equipment	2,191,347	946,240	1,030,282
Investment properties	85,021	—	—
Interests in associates	16,239	—	—
Available-for-sale financial assets	92,618	4,205	4,403
Goodwill	161,491	—	—
Other intangible assets	69,674	104,483	104,733
Deferred tax assets	135,608	18,847	12,070
Non-current prepayments, deposits and receivables	1,864,956	117,371	109,875
	4,616,954	1,191,146	1,261,363
Current assets			
Inventories	729,233	—	—
Trade receivables	203,046	69,738	97,727
Prepayments, deposits and other current assets	543,395	93,143	67,373
Financial assets at fair value through profit or loss	1,049,703	—	—
Pledged bank deposits	98,813	—	—
Bank and cash balances	1,611,420	28,591	67,087
	4,235,610	191,472	232,187
TOTAL ASSETS	8,852,564	1,382,618	1,493,550
Capital and reserves			
Share capital	506,462	506,462	50,646
Reserves	(87,237)	(567,826)	(143,068)
Equity attributable to owners of the Company	419,225	(61,364)	(92,422)
Non-controlling interests	1,904,252	86,852	282,340
Total equity	2,323,477	25,488	189,918

	At 31st December		
	2008	2009	2010
	HK$'000	*HK$'000*	*HK$'000*
Non-current liabilities			
Provisions	116,335	10,129	17,209
Interest-bearing borrowings	2,272,332	551,163	220,057
Notes payable	74,907	1,929	217,442
Finance lease payables	30,576	9,447	21,631
Due to a related company	—	23,114	25,355
Derivative financial instruments	24,674	—	—
Non-current other payables	85,519	—	—
Deferred tax liabilities	10,555	—	—
	2,614,898	595,782	501,694
Current liabilities			
Provisions	30,520	—	—
Interest-bearing borrowings	498,106	351,295	629,229
Notes payable	1,067,308	223,609	6,338
Bonds payable	312,580	—	—
Finance lease payables	24,000	24,329	8,861
Due to related companies	6,578	4,000	4,000
Derivative financial instruments	147,698	—	509
Trade payables	985,679	76,028	29,895
Receipts in advance	34,887	19,260	15,950
Other payables and accruals	805,975	61,602	97,071
Current tax payable	858	1,225	10,085
	3,914,189	761,348	801,938
Total liabilities	6,529,087	1,357,130	1,303,632
TOTAL EQUITY AND LIABILITIES	8,852,564	1,382,618	1,493,550
Net current assets/(liabilities)	321,421	(569,876)	(569,751)
Total assets less current liabilities	4,938,375	621,270	691,612

IV. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	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	Non-controlling 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 non-controlling shareholders	—	—	—	—	—	—	—	—	—	(20,677)	(20,677)
Changes in equity for the year	—	—	—	—	(6,517)	(2,781)	(83,392)	(119,656)	(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	—	(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
At 1st January 2010	506,462	414,318	—	—	—	—	798	(982,942)	(61,364)	86,852	25,488
Total comprehensive income for the year	—	—	—	—	—	—	2,087	(33,145)	(31,058)	18,783	(12,275)
Capital reduction	(455,816)	—	—	—	—	—	—	455,816	—	—	—
Rights issue of a subsidiary	—	—	—	—	—	—	—	—	—	176,705	176,705
Changes in equity for the year	(455,816)	—	—	—	—	—	2,087	422,671	(31,058)	195,488	164,430
At 31st December 2010	50,646	414,318	—	—	—	—	2,885	(560,271)	(92,422)	282,340	189,918

V. CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31st December		
	2008	2009	2010
	HK$'000	*HK$'000*	*HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax	(305,208)	375,882	2,750
Adjustments for:			
Finance costs	362,240	397,154	73,197
Share of losses/(profits) of associates	15,683	(221)	—
Interest income	(108,284)	(134,844)	(5,056)
Amortisation of bonds issuance cost	3,075	1,929	—
Amortisation of notes issuance cost	19,908	16,025	—
Depreciation	390,461	393,915	122,949
Amortisation of other intangible assets	5,334	4,540	12,993
Unrealised loss/(gain) on revaluation of financial assets at fair value through profit or loss	36,119	(144,762)	—
Gain on disposal of financial assets at fair value through profit or loss	—	(3,801)	—
Fair value loss/(gain) on derivative financial instruments	158,914	(97,818)	502
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/(gain) on disposal of property, plant and equipment	2,590	5,778	(327)
Increase in provisions	24,941	42,431	6,510

	Year ended 31st December		
	2008	2009	2010
	HK$'000	*HK$'000*	*HK$'000*
Operating profit before working capital changes	606,873	720,805	213,518
Decrease/(increase) in inventories	56,227	(315,379)	—
Decrease/(increase) in trade receivables	16,150	44,015	(27,989)
(Increase)/decrease in prepayments, deposits and other current assets	(830,183)	(474,353)	28,101
(Decrease)/increase in amounts due to related companies	(3,238)	24,798	1,137
Increase/(decrease) in trade payables	40,695	551,497	(46,133)
Increase/(decrease) in receipts in advance	9,245	(15,627)	(3,310)
Increase in other payables and accruals	75,791	150,132	35,469
Cash (used in)/generated from operations	(28,440)	685,888	200,793
Income taxes paid	(4,092)	(9,035)	(4,034)
Net cash (used in)/generated from operating activities	(32,532)	676,853	196,759
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	(459,344)	(271,841)	(162,448)
Purchases of investment properties	(125)	—	—
Purchases of other intangible assets	(12,673)	(95,466)	(2,879)
Purchases of available-for-sale financial assets	(3,539)	—	—
Purchases of financial assets at fair value through profit or loss	(533,026)	(157,791)	—
Proceeds from disposal of property, plant and equipment	73,280	6,412	22,569
Proceeds from disposal of financial assets at fair value through profit or loss	—	88,400	—
Decrease/(increase) in pledged bank deposits	13,065	(68,615)	—
Interest received	108,284	134,844	5,056
Net cash used in investing activities	(814,078)	(364,057)	(137,702)

	Year ended 31st December		
	2008	2009	2010
	HK$'000	*HK$'000*	*HK$'000*
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of interest-bearing borrowings and notes payable	(339,435)	(2,704,981)	(516,349)
New interest-bearing borrowings and notes payable	959,068	3,153,711	418,556
Issue of bonds payable	—	402,309	—
Repayment of bonds payable	(4,954)	(342,503)	—
Repayment of capital element of finance lease payables	(13,114)	(26,962)	(25,943)
Interest paid	(390,528)	(397,154)	(73,197)
Net cash outflow arising from distribution in specie	—	(2,108,257)	—
Rights issue of a subsidiary	—	—	176,705
Dividends paid to non-controlling shareholders	(20,677)	—	—
Net cash generated from/(used in) financing activities	190,360	(2,023,837)	(20,228)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(656,250)	(1,711,041)	38,829
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,638,136	1,611,420	28,591
Effect of foreign exchange rate changes	(370,466)	128,212	(333)
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,611,420	28,591	67,087
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank and cash balances	1,611,420	28,591	67,087

NOTES TO THE FINANCIAL INFORMATION

1. GENERAL

On 21st March, 2011, PT First Media Tbk ("First Media"), PT Link Net ("Link Net") and PT First Media Television ("FMTV"), all being subsidiaries of the Company, entered into an investment agreement (the "Investment Agreement") with an independent third party (the "Investor"). Pursuant to the Investment Agreement, the Investor will subscribe for 1,032,649,384 ordinary shares in the capital of Link Net (subject to the Adjustment(s) as defined in the circular of the Company dated 9th May, 2011 (the "Circular")) and subscribe for 2,500 ordinary shares in the capital of FMTV; First Media will issue a bond to the Investor and grant an option (the "Option") to the Investor to purchase 458,248,815 existing ordinary shares in the capital of Link Net (subject to the Adjustment(s) as defined in the Circular) (hereinafter collectively referred to as the "Proposed Transactions"). It was stated in the announcement of the Company dated 6th May, 2011 that there are no adjustments to the Reorganisation Final Price, the LN Price, the Bond Price and the Option exercise price. It was also stated in the announcement of the Company dated 6th May, 2011 that there will be no change to the number of LN Subscription Shares. However, as the Investment Agreement provides that the Option Shares shall together with the LN Subscription Shares equal 49% of the issued share capital of Link Net on a fully diluted basis at Completion, the number of existing Option Shares to be sold to the Investor will be adjusted from 458,248,815 shares of Link Net to 458,248,814 shares of Link Net.

Upon completion of the Proposed Transactions and the exercise of the Option, the Investor will hold 49% of the enlarged issued share capital of Link Net and 20% of the enlarged issued share capital of FMTV. The Proposed Transactions together with the exercise of the Option constitute a very substantial disposal (the "Very Substantial Disposal") for the Company under the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

2. BASIS OF PRESENTATION OF THE UNAUDITED FINANCIAL INFORMATION

The financial information of the Group which is extracted from the Company's respective published annual reports has been prepared in accordance with the accounting policies of the Group adopted in the preparation of the Company's consolidated financial statements, which conform with International Financial Reporting Standards and Rule 19.68(2)(a)(i)(B) of the GEM Listing Rules, and is solely for the purpose of inclusion in the Circular issued by the Company in connection with the Very Substantial Disposal.

The financial information of the Group does not contain sufficient information to constitute a complete set of financial statements as defined in International Accounting Standard 1 "Presentation of Financial Statements" ("IAS 1").

3. REORGANISATION OF FIRST MEDIA AND ITS SUBSIDIARIES

On 21st March, 2011, First Media, Link Net and FMTV entered into a reorganisation agreement (the "Reorganisation Agreement"). The reorganisation (the "Reorganisation") contemplated under the Reorganisation Agreement, including without limitation, the transfer of certain assets, liabilities, contracts, employees and undertakings in connection with the ownership and operation of a two-way hybrid fibre-coaxial cable broadband network in Indonesia delivering high speed internet access service in Jakarta, Surabaya and Bali (the "Network Business"), the business of providing subscription based broadband internet access and data services (the "ISP Business") and the business of providing multi-channel subscription-based television and radio services delivered through any platform (including cable, satellite and wireless), including media and advertising sales in connection therewith (the "Pay TV Business") from First Media to Link Net. The Network Business, the ISP Business and the Pay TV Business are collectively referred to as the "Relevant Businesses".

For the purpose of presenting the unaudited combined financial information of the Relevant Businesses and Link Net and FMTV before allocation to non-controlling shareholders ("Combined Financial Information"), the amounts included in the Combined Financial Information have been recognised and measured in accordance with the relevant accounting policies of the Group adopted in the preparation of the Company's consolidated financial statements, which conform with International Financial Reporting Standards.

The Combined Financial Information of the Relevant Businesses has been prepared in accordance with Rule 19.68(2)(a)(i)(B) of the GEM Listing Rules, and is solely for the purpose of inclusion in the Circular issued by the Company in connection with the Very Substantial Disposal. After the Proposed Transactions, Link Net and FMTV will remain as the subsidiaries of the Company. The financial position, results of operation and cash flows of the Relevant Businesses and Link Net and FMTV will continue to be consolidated into the Company's consolidated financial statements after the Proposed Transactions. 49% of the results of Link Net and 20% of the results of FMTV will be allocated to the Investor after the Proposed Transactions and Reorganisation. The relevant financial effect will be adjusted in the consolidated income statement of the Group under an item namely "attributable to non-controlling interests" on the results of Link Net and FMTV attributable to the Investor. The results of Link Net and FMTV for the year ended 31st December, 2011 attributable to the Investor as if the Proposed Transactions and the Reorganisation had been completed on 1st January, 2010 is set out in Appendix II to this Circular. The Combined Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in IAS 1.

(a) Combined profit or loss attributable to the Relevant Businesses and Link Net and FMTV for the Relevant Periods are as follows:

	Year ended 31st December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Turnover	427,267	534,748	707,201
Cost of sales and services rendered	(210,439)	(214,341)	(153,246)
Gross profit	216,828	320,407	553,955
Other income	31	87	318
Waiver of other payables	3,908	—	—
Net foreign exchange gains/(losses)	83	5	(2)
Selling and distribution costs	(48,199)	(36,455)	(42,880)
General and administrative expenses	(132,146)	(182,900)	(231,421)
Profit before tax	40,505	101,144	279,970
Income tax expense	—	(1,276)	(9,010)
Profit for the year	40,505	99,868	270,960

(b) Assets and liabilities attributable to the Relevant Businesses and Link Net and FMTV at the end of the Relevant Periods are as follows:

	At 31st December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Non-current assets			
Property, plant and equipment	689,316	865,444	956,346
Deferred tax assets	—	58	1,407
Other intangible assets	—	—	6,277
Non-current prepayments, deposits and receivables	15,693	24,991	12,258
	705,009	890,493	976,288
Current assets			
Trade receivables	57,242	69,583	97,147
Prepayments, deposits and other current assets	598	438	8,746
Due from related companies	1,791	—	—
Current tax assets	63	275	—
Bank and cash balances	2,138	4,874	12,931
	61,832	75,170	118,824
TOTAL ASSETS	766,841	965,663	1,095,112
Non-current liabilities			
Provisions	113	188	279
Current liabilities			
Due to related companies	9,603	11,228	139
Trade payables	22,081	10,274	10,554
Receipts in advance	26,555	20,381	17,137
Other payables and accruals	6,471	8,835	13,321
Current tax payable	—	949	11,101
	64,710	51,667	52,252
TOTAL LIABILITIES	64,823	51,855	52,531

(c) The net cash flows arising from the Relevant Businesses and Link Net and FMTV during the Relevant Periods are as follows:

	Year ended 31st December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	40,505	101,144	279,970
Adjustments for:			
Interest income	(30)	(87)	(318)
Depreciation	63,558	94,443	114,787
Amortisation of other intangible assets	—	—	2,037
Gain on disposal of property, plant and equipment	(1)	—	—
Allowance for trade receivables	—	52	—
Waiver of an amount due to a fellow subsidiary	(3,908)	—	—
Increase in provision for employees' benefits	17	51	81
Operating profit before working capital changes	100,141	195,603	396,557
Decrease/(increase) in non-current prepayments, deposits and receivables	8,145	(9,296)	12,733
Decrease/(increase) in trade receivables	17,033	(12,393)	(27,564)
Decrease/(increase) in prepayments, deposits and other current assets	185	(115)	(8,033)
Decrease in amounts due from related companies	4	1,791	—
(Decrease)/increase in trade payables	(14,163)	(11,807)	280
(Decrease)/increase in amount due to immediate holding company	(286)	—	9,745
Increase in amount due to a fellow subsidiary	1,064	—	—
Decrease in amounts due to related companies	(1,096)	—	—
(Decrease)/increase in other payables and accruals	(1,228)	2,364	4,486
Increase/(decrease) in receipts in advance	11,002	(6,174)	(3,244)
Cash generated from operations	120,801	159,973	384,960
Income taxes paid	(73)	(404)	(365)
Net cash generated from operating activities	120,728	159,569	384,595

	Year ended 31st December		
	2008	2009	2010
	HK$'000	*HK$'000*	*HK$'000*
CASH FLOWS FROM INVESTING ACTIVITES			
Purchases of property, plant and equipment	(318,131)	(151,646)	(70,899)
Purchases of other intangible assets	—	—	(2,879)
Proceeds from disposal of property, plant and equipment	5	—-	—
Interest received	30	87	318
Net cash used in investing activities	(318,096)	(151,559)	(73,460)
CASH FLOWS FROM FINANCING ACTIVITES			
Proceeds from issue of shares	—	—	65,144
Repayment of notes payable	(511)	—	—
Advance from immediate holding company	10,892	—	—
Net cash generated from financing activities	10,381	—	65,144
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(186,987)	8,010	376,279

B. UNAUDITED FINANCIAL INFORMATION OF LINK NET

I. STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31st December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Turnover	4,088	2,673	27,347
Cost of services rendered	(564)	(310)	(1,452)
Gross profit	3,524	2,363	25,895
Other income	30	31	194
Waiver of an amount due to a fellow subsidiary	3,908	—	—
Selling and distribution costs	(199)	(269)	(406)
General and administrative expenses	(595)	(1,122)	(20,122)
Profit before tax	6,668	1,003	5,561
Income tax expense	—	(170)	(1,143)
Profit for the year attributable to owners of Link Net	6,668	833	4,418
Other comprehensive income:			
Exchange differences on translating foreign operations	1,086	(741)	1,358
Other comprehensive income for the year, net of tax	1,086	(741)	1,358
Total comprehensive income for the year attributable to owners of Link Net	7,754	92	5,776

II. STATEMENTS OF FINANCIAL POSITION

	At 31st December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Non-current assets			
Property, plant and equipment	2,899	3,693	74,867
Other intangible assets	—	—	4,863
Deferred tax assets	—	58	1,407
Non-current prepayments, deposits and receivables	10	12	12
	2,909	3,763	81,149
Current assets			
Trade receivables	996	1,190	22,517
Prepayments, deposits and other current assets	49	77	7,051
Due from related companies	22	—	—
Current tax assets	63	275	—
Bank and cash balances	2,138	2,752	10,639
	3,268	4,294	40,207
TOTAL ASSETS	6,177	8,057	121,356
Capital and reserves			
Share capital	58,007	58,007	173,818
Reserves	(63,090)	(62,998)	(57,222)
TOTAL EQUITY	(5,083)	(4,991)	116,596
Non-current liabilities			
Provision for employees' benefits	113	188	279
Current liabilities			
Trade payables	1,319	1,424	1,954
Receipts in advance	167	174	115
Due to immediate holding company	9,555	11,118	—
Due to related companies	1	—	—
Other payables and accruals	105	144	566
Current tax payable	—	—	1,846
	11,147	12,860	4,481
Total liabilities	11,260	13,048	4,760
TOTAL EQUITY AND LIABILITIES	6,177	8,057	121,356
Net current (liabilities)/assets	(7,879)	(8,566)	35,726
Total assets less current liabilities	(4,970)	(4,803)	116,875

III. STATEMENTS OF CHANGES IN EQUITY

	Share capital *HK$'000*	Translation reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
At 1st January 2008	58,007	(2,486)	(68,358)	(12,837)
Total comprehensive income and changes in equity for the year	—	1,086	6,668	7,754
At 31st December 2008 and 1st January 2009	58,007	(1,400)	(61,690)	(5,083)
Total comprehensive income and changes in equity for the year	—	(741)	833	92
At 31st December 2009 and 1st January 2010	58,007	(2,141)	(60,857)	(4,991)
Total comprehensive income for the year	—	1,358	4,418	5,776
Issue of shares	115,811	—	—	115,811
Changes in equity for the year	115,811	1,358	4,418	121,587
At 31st December 2010	173,818	(783)	(56,439)	116,596

IV. STATEMENTS OF CASH FLOWS

	Year ended 31st December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	6,668	1,003	5,561
Adjustments for:			
Interest income	(30)	(31)	(194)
Depreciation	292	306	17,722
Amortisation of other intangible assets	—	—	1,085
Gain on disposal of property, plant and equipment	(1)	—	—
Allowance for trade receivables	—	52	—
Waiver of an amount due to a fellow subsidiary	(3,908)	—	—
Increase in provision for employees' benefits	17	51	81
Operating profit before working capital changes	3,038	1,381	24,255
Increase in trade receivables	(436)	(246)	(21,327)
Decrease/(increase) in prepayments, deposits and other current assets	91	(28)	(6,974)
Decrease in amounts due from related companies	4	22	—
(Decrease)/increase in trade payables	(10,585)	105	530
(Decrease)/increase in amount due to immediate holding company	(286)	—	9,745
Increase in amount due to a fellow subsidiary	1,064	—	—
Decrease in amounts due to related companies	(1,096)	(1)	—
(Decrease)/increase in other payables and accruals	(3,398)	(556)	422
Increase/(decrease) in receipts in advance	36	7	(59)
Cash (used in)/generated from operations	(11,568)	684	6,592
Income taxes paid	(73)	(404)	(365)
Net cash (used in)/generated from operating activities	(11,641)	280	6,227

	Year ended 31st December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
CASH FLOWS FROM INVESTING ACTIVITES			
Purchases of property, plant and equipment	(207)	—	(63,869)
Proceeds from disposal of property, plant and equipment	15	—	—
Interest received	30	31	194
Net cash (used in)/generated from investing activities	(162)	31	(63,675)
CASH FLOWS FROM FINANCING ACTIVITES			
Proceeds from issue of shares	—	—	65,144
Repayment of notes payable	(511)	—	—
Advance from immediate holding company	10,892	—	—
Net cash generated from financing activities	10,381	—	65,144
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,422)	311	7,696
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,479	2,138	2,752
Effect of foreign exchange rate changes	81	303	191
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,138	2,752	10,639
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank and cash balances	2,138	2,752	10,639

NOTES TO THE FINANCIAL INFORMATION

1. GENERAL

On 21st March, 2011, PT First Media Tbk ("First Media"), being a 55.1% owned subsidiary of the Company and immediate holding company of Link Net, entered into an investment agreement in which an investor shall subscribe for 1,032,649,384 ordinary shares (subject to the Adjustment(s) as defined in the circular of the Company dated 9th May, 2011) in the capital of Link Net, representing 33.94% of the enlarged issued share capital of Link Net, at a consideration of IDR1,627,703,265,037 (subject to the Adjustment(s) as defined in the circular of the Company dated 9th May, 2011), equivalent to approximately HK$1,404,488,000. First Media shall issue a bond (the "Bond") for the sum of IDR722,310,112,156 (subject to the Adjustment(s) as defined in the circular of the Company dated 9th May, 2011), equivalent to approximately HK$623,256,000, and grant to the investor an option (the "Option") to purchase 458,248,815 ordinary shares (subject to the Adjustment(s) as defined in the circular of the Company dated 9th May, 2011) in the capital of Link Net representing 15.06% of the enlarged issued share capital of Link Net. The proceeds receivable from the exercise of the Option shall be used to fully settle the Bond.

It was stated in the announcement of the Company dated 6th May, 2011 that there are no adjustments to the Reorganisation Final Price, the LN Price, the Bond Price and the Option exercise price. It was also stated in the announcement of the Company dated 6th May, 2011 that there will be no change to the number of LN Subscription Shares. However, as the Investment Agreement provides that the Option Shares shall together with the LN Subscription Shares equal 49% of the issued share capital of Link Net on a fully diluted basis at Completion, the number of existing Option Shares to be sold to the Investor will be adjusted from 458,248,815 shares of Link Net to 458,248,814 shares of Link Net.

Upon completion, First Media's direct interests in Link Net will be diluted from 100% to 51% while the Company's indirect interests in Link Net will be diluted from 55.1% to 28.1%.

2. BASIS OF PRESENTATION OF THE UNAUDITED FINANCIAL INFORMATION

The unaudited financial information of Link Net has been prepared in accordance with the accounting policies of the Group adopted in the preparation of the Company's consolidated financial statements, which conform with International Financial Reporting Standards and Rule 19.68(2)(a)(i) of The Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, and is solely for the purpose of inclusion in the circular issued by the Company in connection with the circular of the Company dated 9th May, 2011.

The unaudited financial information does not contain sufficient information to constitute a complete set of financial statements as defined in International Accounting Standard 1 "Presentation of Financial Statements".

C. UNAUDITED FINANCIAL INFORMATION OF FMTV

I. STATEMENTS OF COMPREHENSIVE INCOME

	Period from 9th October 2008 (date of incorporation) to 31st December	Year ended 31st December	
	2008	2009	2010
	HK$'000	*HK$'000*	*HK$'000*
Turnover	—	—	—
Other income	—	56	124
Profit before tax	—	56	124
Income tax expense	—	—	—
Profit for the period/year attributable to owners of FMTV	—	56	124
Other comprehensive income:			
Exchange difference on translating foreign operations	(248)	295	104
Other comprehensive income for the period/year, net of tax	(248)	295	104
Total comprehensive income for the period/year attributable to owners of FMTV	(248)	351	228

II. STATEMENTS OF FINANCIAL POSITION

	At 31st December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Current assets			
Prepayments	—	—	57
Due from immediate holding company	1,769	—	—
Bank and cash balances	—	2,121	2,292
TOTAL ASSETS	1,769	2,121	2,349
Capital and reserves			
Share capital	2,017	2,017	2,017
Reserves	(248)	103	331
TOTAL EQUITY	1,769	2,120	2,348
Current liabilities			
Due to immediate holding company	—	1	1
TOTAL EQUITY AND LIABILITIES	1,769	2,121	2,349
Net current assets	1,769	2,120	2,348
Total assets less current liabilities	1,769	2,120	2,348

III. STATEMENTS OF CHANGES IN EQUITY

	Share capital *HK'000*	Translation reserve *HK$'000*	Retained profits *HK$'000*	Total *HK$'000*
Issue of shares	2,017	—	—	2,017
Total comprehensive income and changes in equity for the period	—	(248)	—	(248)
At 31st December 2008 and 1st January 2009	2,017	(248)	—	1,769
Total comprehensive income and changes in equity for the year	—	295	56	351
At 31st December 2009 and 1st January 2010	2,017	47	56	2,120
Total comprehensive income and changes in equity for the year	—	104	124	228
At 31st December 2010	2,017	151	180	2,348

IV. STATEMENTS OF CASH FLOWS

	Period from 9th October 2008 (date of incorporation) to 31st December 2008	Year ended 31st December 2009	Year ended 31st December 2010
	HK$'000	*HK$'000*	*HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	—	56	124
Adjustment for:			
Interest income	—	(56)	(124)
Operating profit before working capital changes	—	—	—
Decrease in amount due from immediate holding company	—	1,769	—
Increase in prepayments	—	—	(57)
Increase in amount due to immediate holding company	—	1	—
Net cash generated from/(used in) operating activities	—	1,770	(57)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	—	56	124
NET INCREASE IN CASH AND CASH EQUIVALENTS	—	1,826	67
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	—	—	2,121
Effect of foreign exchange rate changes	—	295	104
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	—	2,121	2,292
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank and cash balances	—	2,121	2,292

NOTES TO THE FINANCIAL INFORMATION

1. GENERAL

On 21st March, 2011, PT First Media Tbk ("First Media"), being a 55.1% owned subsidiary of the Company and immediate holding company of FMTV, entered into an investment agreement in which an investor shall subscribe for 2,500 ordinary shares in the capital of FMTV, representing 20% of the enlarged issued share capital of FMTV, at a consideration of IDR1,000,000,000, equivalent to approximately HK$863,000. Upon completion, First Media's direct interests in FMTV will be diluted from 100% to 80% while the Company's indirect interests in FMTV will be diluted from 55.1% to 44.1%.

2. BASIS OF PRESENTATION OF THE UNAUDITED FINANCIAL INFORMATION

The unaudited financial information of FMTV has been prepared in accordance with the accounting policies of the Group adopted in the preparation of the Company's consolidated financial statements, which conform with International Financial Reporting Standards and Rule 19.68(2)(a)(i) of The Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, and is solely for the purpose of inclusion in the circular issued by the Company in connection with the circular dated 9th May, 2011.

The unaudited financial information does not contain sufficient information to constitute a complete set of financial statements as defined in International Accounting Standard 1 "Presentation of Financial Statements".

I. THE UNAUDITED PRO FORMA FINANCIAL INFORMATION ON THE GROUP

A. INTRODUCTION

The accompanying unaudited pro forma financial information of the Group has been prepared to illustrate the effect of the proposed disposal of 49% of the enlarged issued share capital of PT Link Net ("Link Net") and 20% of the enlarged issued share capital of PT First Media Television ("FMTV") as a result of completion (the "Completion") of the proposed transactions contemplated under an investment agreement dated 21st March, 2011 (hereinafter collectively referred to as the "Proposed Transactions") and the exercise of an option (the "Option") to be granted upon the Completion and the reorganisation of PT First Media Tbk ("First Media"), being a 55.1% owned subsidiary of the Company and immediate holding company of Link Net and FMTV, and its subsidiaries (the "Reorganisation") as referred to in the section headed "Part C. The Reorganisation and the Reorganisation Agreement" in "Letter from the Board" contained in this circular might have affected the financial information of the Group.

The Reorganisation includes without limitation, the transfer of certain assets, liabilities, contracts, employees and undertakings in connection with the ownership and operation of a two-way hybrid fibre-coaxial cable broadband network in Indonesia delivering high speed internet access service in Jakarta, Surabaya and Bali (the "Network Business"), the business of providing subscription based broadband internet access and data services (the "ISP Business") and the business of providing multi-channel subscription-based television and radio services delivered through any platform (including cable, satellite and wireless), including media and advertising sales in connection therewith (the "Pay TV Business") from First Media to Link Net. The Network Business, the ISP Business and the Pay TV Business are collectively referred to as the "Relevant Businesses".

The unaudited pro forma consolidated income statement and statement of cash flows of the Group for the year ended 31st December, 2010 are prepared based on the audited consolidated income statement and statement of cash flows of the Group for the year ended 31st December, 2010 as extracted from the annual report of the Company for the year ended 31st December, 2010 as if the Proposed Transactions and Reorganisation had been completed on 1st January, 2010.

The unaudited pro forma consolidated statement of financial position of the Group as at 31st December, 2010 is prepared based on the audited consolidated statement of financial position of the Group as at 31st December, 2010 as extracted from the annual report of the Company for the year ended 31st December, 2010 as if the Proposed Transactions and Reorganisation had been completed on 31st December, 2010.

The unaudited pro forma financial information of the Group is prepared based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. Accordingly, as a result of the nature of the unaudited pro forma financial information of the Group, it may not give a true picture of the actual financial position, results of operation or cash flows of the Group that would have been attained had the Proposed Transactions and Reorganisation actually occurred on the dates indicated herein. Furthermore, the unaudited pro forma financial information of the Group does not purport to predict the Group's future financial position, results of operation or cash flows.

The unaudited pro forma financial information of the Group should be read in conjunction with the financial information of the Group, the Relevant Businesses and Link Net and FMTV as set out in Appendix I and other financial information included elsewhere in this circular.

B. UNAUDITED PRO FORMA CONSOLIDATED INCOME STATEMENT OF THE GROUP FOR THE YEAR ENDED 31ST DECEMBER 2010

	The Group before Completion and Reorganisation	Pro forma adjustments	Notes	The Group after Completion and Reorganisation
	HK$'000	*HK$'000*		*HK$'000*
Turnover	708,984			708,984
Cost of services rendered	(154,520)			(154,520)
Gross profit	554,464			554,464
Other income	5,384			5,384
Fair value loss on derivative financial instruments	(502)			(502)
Net foreign exchange gains	24,757			24,757
Selling and distribution costs	(44,912)			(44,912)
General and administrative expenses	(463,244)	(9,700)	8	(472,944)
Profit from operations	75,947			66,247
Finance costs	(73,197)			(73,197)
Profit/(loss) before tax	2,750			(6,950)
Income tax expense	(20,470)			(20,470)
Loss for the year	(17,720)			(27,420)
Attributable to:				
		(132,751)	1	
		30,025	7	
Owners of the Company	(33,145)	(5,884)	8	(141,755)
		132,751	1	
		(30,025)	7	
Non-controlling interests	15,425	(3,816)	8	114,335
	(17,720)			(27,420)

C. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31ST DECEMBER 2010

	The Group before Completion and Reorganisation	Pro forma adjustments	Notes	The Group after Completion and Reorganisation
	HK$'000	*HK$'000*		*HK$'000*
Non-current assets				
Property, plant and equipment	1,030,282			1,030,282
Available-for-sale financial assets	4,403			4,403
Other intangible assets	104,733			104,733
Deferred tax assets	12,070			12,070
Non-current prepayments, deposits and receivables	109,875			109,875
	1,261,363			1,261,363
Current assets				
Trade receivables	97,727			97,727
Prepayments, deposits and other current assets	67,373			67,373
		1,404,488	2	
		863	3	
Bank and cash balances	67,087	623,256	4	2,095,694
	232,187			2,260,794
TOTAL ASSETS	1,493,550			3,522,157
Capital and reserves				
Share capital	50,646			50,646
		706,859	5	
Reserves	(143,068)	(5,884)	8	557,907
Equity attributable to owners of the Company	(92,422)			608,553
		575,774	5	
		745,974	6	
Non-controlling interests	282,340	(3,816)	8	1,600,272
Total equity	189,918			2,208,825

	The Group before Completion and Reorganisation	Pro forma adjustments	Notes	The Group after Completion and Reorganisation
	HK$'000	*HK$'000*		*HK$'000*
Non-current liabilities				
Provisions	17,209			17,209
		623,256	4	
Bond payable	—	(623,256)	9	—
Interest-bearing borrowings	220,057			220,057
Notes payable	217,442			217,442
Finance lease payables	21,631			21,631
Due to related companies	25,355			25,355
	501,694			501,694
Current liabilities				
Interest-bearing borrowings	629,229			629,229
Notes payable	6,338			6,338
Finance lease payables	8,861			8,861
Due to a related company	4,000			4,000
Derivative financial instruments	509			509
Trade payables	29,895			29,895
Receipts in advance	15,950			15,950
Other payables and accruals	97,071	9,700	8	106,771
Current tax payable	10,085			10,085
	801,938			811,638
Total liabilities	1,303,632			1,313,332
TOTAL EQUITY AND LIABILITIES	1,493,550			3,522,157
Net current (liabilities)/assets	(569,751)			1,449,156
Total assets less current liabilities	691,612			2,710,519

D. UNAUDITED PRO FORMA CONSOLDIATED STATEMENT OF CASH FLOWS OF THE GROUP FOR THE YEAR ENDED 31ST DECEMBER 2010

	The Group before Completion and Reorganisation	Pro forma adjustments	Notes	The Group after Completion and Reorganisation
	HK$'000	*HK$'000*		*HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	2,750			2,750
Adjustments for:				
Finance costs	73,197			73,197
Interest income	(5,056)			(5,056)
Depreciation	122,949			122,949
Amortisation of other intangible assets	12,993			12,993
Fair value loss on derivative financial instruments	502			502
Gain on disposal of property, plant and equipment	(327)			(327)
Increase in provisions	6,510			6,510
Operating profit before working capital changes	213,518			213,518
Increase in trade receivables	(27,989)			(27,989)
Decrease in prepayments, deposits and other current assets	28,101			28,101
Increase in amounts due to related companies	1,137			1,137
Decrease in trade payables	(46,133)			(46,133)
Decrease in receipts in advance	(3,310)			(3,310)
Increase in other payables and accruals	35,469			35,469
Cash generated from operations	200,793			200,793
Income taxes paid	(4,034)			(4,034)
Net cash generated from operating activities	196,759			196,759

	The Group before Completion and Reorganisation	Pro forma adjustments	Notes	The Group after Completion and Reorganisation
	HK$'000	*HK$'000*		*HK$'000*
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of property, plant and equipment	(162,448)			(162,448)
Purchases of other intangible assets	(2,879)			(2,879)
Proceeds from disposal of property, plant and equipment	22,569			22,569
Interest received	5,056			5,056
Net cash used in investing activities	(137,702)			(137,702)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of interest-bearing borrowings and notes payable	(516,349)			(516,349)
New interest-bearing borrowings and notes payable	418,556			418,556
Repayment of capital element of finance lease payables	(25,943)			(25,943)
Proceeds from issuance of bond payable	—	623,256	4	623,256
Proceeds from issuance of shares to non-controlling shareholdings of subsidiaries	—	1,405,351	2&3	1,405,351
Interest paid	(73,197)			(73,197)
Rights issue of a subsidiary	176,705			176,705
Net cash (used in)/generated from financing activities	(20,228)			2,008,379
NET INCREASE IN CASH AND CASH EQUIVALENTS	38,829			2,067,436
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	28,591			28,591
Effect of foreign exchange rate changes	(333)			(333)
CASH AND CASH EQUIVALENTS AT END OF YEAR	67,087			2,095,694
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Bank and cash balances	67,078			2,095,694

E. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION ON THE GROUP

1. Based on the Financial Information of the Relevant Businesses and Link Net and FMTV as set out in Appendix I to this circular, the Relevant Businesses and Link Net and FMTV generated profit of approximately HK$270,960,000 for the year ended 31st December, 2010 which was attributable to Link Net as to a profit of approximately HK$270,892,000 and FMTV as to a profit of approximately HK$68,000. The adjustments represent 49% of the profit for the year of Link Net amounting approximately HK$132,737,000 attributable to a non-controlling shareholder (the "Investor") holding 49% of the enlarged issued share capital of Link Net for the year ended 31st December, 2010 and 20% of the profit for the year of FMTV amounting approximately HK$14,000 attributable to the Investor holding 20% of the enlarged issued share capital of FMTV for the year ended 31st December, 2010 as if the Proposed Transactions and the Reorganisation had been completed on 1st January, 2010. This adjustment is expected to have a continuing effect on the Group.

2. The adjustment represents the proceeds received from the Investor upon the issuance of 1,032,649,384 ordinary shares (subject to the Adjustment(s) as defined in this circular) in the capital of Link Net totalling IDR1,627,703,265,037 (subject to the Adjustment(s) as defined in this circular), equivalent to approximately HK$1,404,488,000, as if the Proposed Transactions had been completed on 31st December, 2010. This adjustment is not expected to have a continuing effect on the Group. It was stated in the announcement of the Company dated 6th May, 2011 that there are no adjustments to the LN Price and the number of LN Subscription Shares.

   The proceeds receivable from the Investor and the number of ordinary shares in the capital of Link Net to be allotted and issued are subject to Adjustment(s) as defined in this circular, if any, as referred to in the section headed "Part A. The Investment Agreement" in the "Letter from the Board" contained in this circular. The Directors determine that any adjustments would be minimal since the aggregate amount of investment payable by the Investor in connection with the Proposed Transactions will not change.

3. The adjustment represents the proceeds received from the Investor upon the issuance of 2,500 ordinary shares in the capital of FMTV totalling IDR1,000,000,000, equivalent to approximately HK$863,000 as if the Proposed Transactions had been completed on 31st December, 2010. This adjustment is not expected to have a continuing effect on the Group.

4. The adjustment represents the proceeds received from the issuance of a bond (the "Bond") by First Media to the Investor totalling IDR722,310,112,156 (subject to the Adjustment(s) as defined in this circular), equivalent to approximately HK$623,256,000, as if the Proposed Transactions had been completed on 31st

December, 2010. This adjustment is not expected to have a continuing effect on the Group. The Bond is interest bearing at 1% per annum. It was stated in the announcement of the Company dated 6th May, 2011 that there are no adjustments to the Bond Price.

The proceeds receivable from the issuance of the Bond are subject to the Adjustment(s) as defined in this circular, if any, as referred to in the section headed "Part A. The Investment Agreement" in the "Letter from the Board" contained in this circular. The Directors determine that any adjustments would be minimal since the aggregate amount of investment payable by the Investor in connection with the Proposed Transactions will not change.

5. The adjustment represents the gain on disposal on the Proposed Transactions of approximately HK$1,282,633,000 upon the issuance of 1,032,649,384 ordinary shares in the capital of Link Net and 2,500 ordinary shares in the capital of FMTV to the Investor, and the exercise of the Option as if the Proposed Transactions had been completed on 31st December, 2010. The gain on disposal on the Proposed Transactions is allocated to owners of the Company of approximately HK$706,859,000 and non-controlling shareholders of First Media of approximately HK$575,774,000. The gain on disposal on the Proposed Transactions arising from changes in the Company's ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions in accordance with International Accounting Standard 27 (Revised) "Consolidated and Separate Financial Statements".

6. Based on the Financial Information of Link Net as set out in Appendix I to this circular, the net asset value of Link Net before the Proposed Transactions as at 31st December, 2010 amounted to approximately HK$116,596,000. The net asset value of Link Net increased from approximately HK$116,596,000 to HK$1,521,084,000 of which an amount of approximately HK$745,331,000 was attributable to the Investor holding 49% of the enlarged issued capital of Link Net as if the Proposed Transactions and the exercise of the Option had been completed on 31st December, 2010.

   Based on the Financial Information of FMTV as set out in Appendix I to this circular, the net asset value of FMTV before the Proposed Transactions as at 31st December, 2010 amounted to approximately HK$2,348,000. The net asset value of Link Net increased from approximately HK$2,348,000 to HK$3,211,000 of which an amount of approximately HK$643,000 was attributable to the Investor holding 20% of the enlarged issued capital of FMTV. as if the Proposed Transactions had been completed on 31st December, 2010.

   The adjustment represents owner's equity of Link Net and FMTV attributable to the Investor holding 49% and 20% of the enlarged issued share capital of Link Net and FMTV, respectively, as if the Proposed Transactions and the exercise of the Option had been completed on 31st December, 2010.

7. On Completion, First Media will advance a vendor loan (the "Vendor Loan") in the aggregate principal amount of IDR440,000,000,000 (equivalent to approximately HK$379,661,000) to Link Net on and subject to the terms of a vendor loan agreement to be entered between First Media and Link Net upon Completion. The Vendor Loan is interest bearing at 11% per annum. Interest of approximately HK$41,763,000 was payable from Link Net to First Media for the year ended 31st December, 2010 as if the Proposed Transactions and the Reorganisation had been completed on 1st January, 2010 of which an amount of approximately HK$11,738,000 attributable to owners of the Company representing 28.1% of total interest payable was eliminated on consolidation of the Group. The adjustment represents the remaining balance of interest payable of approximately HK$30,025,000 which was attributable to the non-controlling shareholders of First Media and Link Net representing 71.9% of total interest payable. This adjustment is expected to have a continuing effect on the Group.

8. The adjustment represents the cost of the Proposed Transactions and Reorganisation payable by the Company of approximately HK$1,200,000 and payable by First Media of approximately HK$8,500,000. The amount attributable to the non-controlling shareholders of First Media amounted to approximately HK$3,816,000. This adjustment is not expected to have a continuing effect on the Group.

9. On Completion, First Media will grant the Option to the Investor to purchase 458,248,814 ordinary shares in the capital of Link Net ("Option Shares") (subject to customary adjustments for change in share capital of Link Net, bonus issues and similar events) representing 15.06% of the enlarged issued share capital of Link Net. The adjustment represents the proceeds from the exercise of the Option used for repayment of the Bond as if the Proposed Transactions and the exercise of the Option had been completed on 31st December, 2010. For the purpose of the unaudited pro forma consolidated income statement, no interest on the Bond was payable for the year ended 31st December, 2010 as the Group used the proceeds from the exercise of the Option to fully settle the Bond immediately as if the Proposed Transactions and the grant and exercise of the Option was completed on 1st January, 2010.

II. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the sole purpose of inclusion in this circular, from the independent reporting accountants, RSM Nelson Wheeler, Certified Public Accountants, Hong Kong.

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

29th Floor
Caroline Centre
Lee Gardens Two
28 Yun Ping Road
Hong Kong

9th May, 2011

The Board of Directors
AcrossAsia Limited

Dear Sirs,

We report on the unaudited pro forma financial information of AcrossAsia Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which has been prepared by the directors of the Company, for illustrative purposes only, to provide information about how the proposed disposal of the 49% of the enlarged issued share capital of PT Link Net ("Link Net") including the grant and exercise of an option to subscribe for 15.06% of the enlarged issued share capital of Link Net and 20% of the enlarged issued share capital of PT First Media Television; and the proposed reorganisation of PT First Media Tbk and its subsidiaries might have affected the financial information of the Group presented, for inclusion in Appendix II to the circular of the Company dated 9th May, 2011 (the "Circular"). The basis of preparation of the unaudited pro forma financial information is set out on pages 64 to 73 to the Circular.

Respective Responsibilities of Directors of the Company and Reporting Accountants

It is the responsibilities solely of the directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 31(7) of Chapter 7 of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 " Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the directors of the Company. The engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules.

The unaudited pro forma financial information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

- the financial position of the Group as at 31st December, 2010 or any future date; or

- the results and cash flows of the Group for the year ended 31st December, 2010 or any future periods.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules.

Yours faithfully,

RSM Nelson Wheeler
Certified Public Accountants
Hong Kong

I. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION OF THE GROUP

Following Completion, the Group will continue to operate the existing business of the Group including the Relevant Businesses, Sitra WiMAX and the Other Businesses.

For the year ended 31st December, 2010

Financial Review

The Group's results for 2010 were analysed based on the continuing operations namely Broadband Services (i.e. the segment primarily engaging in the provision of broadband network services, broadband internet services and cable television services).

Continuing Operations

Turnover

The Group's turnover substantially increased by 32.0% to HK$709.0 million compared to HK$537.1 million in 2009 mainly attributable to a rapid growth of Internet service subscribers and demand for data communication services.

Gross Profit

The Group's gross profit increased by 73.1% to HK$554.5 million from HK$320.2 million in 2009 mainly attributable to additional demand for services as well as reduction in Cable TV programme fees by HK$50.0 million and bandwidth and internet access fees by HK$16.0 million. The profit margin rose to 78.2% from 59.6% in 2009. The existing broadband infrastructure and capacity enables nearly all the revenue generated from new Internet service subscribers as a gross profit.

Profit from Operations

The Group recorded a profit from operations of HK$75.9 million compared to HK$225.1 million in 2009. The difference was mainly due to a gain from waiver of other payables of HK$135.4 million in 2009.

Total operating expenses (excluding other income and expenses) increased to HK$508.2 million from HK$312.2 million in 2009 mainly as a result of amortisation of up front WiMAX licence fee of HK$10.9 million (2009: HK$1.1 million), recognition of yearly licence fee of HK$87.5 million (2009: HK$11.7 million), depreciation charges of HK$122.9 million (2009: HK$94.7 million) and staff salaries and benefits of HK$120.0 million (2009: HK$77.8 million) resulting from recruitment of additional staff to support the WiMAX business and rapid growth of other Broadband Services. Finance costs increased to HK$73.2 million from HK$65.5 million in 2009.

Profit Attributable to Owners

The Group recorded a loss from continuing operations attributable to owners of the Company of HK$33.1 million (2009: profit of HK$129.0 million).

Finance Resources, Capital Structure and Foreign Exchange Exposure

The Group primarily financed its operations with internally generated cash flows and borrowings during 2010. As at 31st December, 2010, the Group had bank and cash balances of HK$67.1 million. The total borrowings amounted to HK$1,073.1 million compared to HK$1,128.0 million as at 31st December, 2009. 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.

During the year, the 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; 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.

The Group's gearing ratio, representing total borrowings divided by share capital, was 21 times as at 31st December, 2010. Because of significant operations in Indonesia, The Group has foreign currency exposure mainly in transaction and conversion risks. The Group will continue to take measures to minimise its foreign exchange exposure.

Segment information

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

		Discontinued operations		
	Broadband Services	**Retail**	**IT Solutions**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31st December, 2010				
Revenue from external customers	708,984	—	—	708,984
Segment profit	199,988	—	—	199,988
As at 31st December, 2010				
Segment assets	1,417,154	—	—	1,417,154
Segment liabilities	(804,190)	—	—	(804,190)

Significant Investments Held

For the year ended 31st December, 2010, the Group had no significant investments held.

Future Plans for Material Investments or Capital Assets

As at 31st December, 2010, the Group did not have any significant investment plans.

Capital Commitments

As at 31st December, 2010, the Group had no material capital commitments.

Contingent Liabilities

As at 31st December, 2010, the Group had no material contingent liabilities.

Material Acquisitions and Disposals of Subsidiaries

For the year ended 31st December, 2010, the Group had no material acquisitions and disposals of subsidiaries.

Charge of Assets

As at 31st December, 2010, the Group's trade receivables of approximately HK$42.76 million were pledged as security for certain banking and other borrowing facility of the Group.

Business Review

The Group through First Media (a subsidiary of the Company listed on the Indonesia Stock Exchange in which the Company has a 55.1% interest) enjoyed a robust growth in its Broadband Services. First Media is the only multimedia service provider in Indonesia to offer broadband Internet and digital-quality cable TV services through a two-way HFC (Hybrid Fibre Coaxial) network, and the first pay-TV network in Indonesia to offer High-Definition TV programmes. With its Triple-play services, namely FastNet, HomeCable and DataComm, First Media offers a new edutainment and lifestyle of experience and high speed, 24/7 broadband Internet connectivity as well as digital quality pay-TV access to its valuable residential and business customers in Indonesia.

FastNet is an unlimited high-speed Internet access service offering a variety of connection speeds with smart values and best deals. Packages offered range from 1 Mbps to 20 Mbps with subscription fees starting from Rp195,000/month. With 20Mbps of unlimited access, First Media offers the fastest broadband Internet service in Indonesia. It has the unique opportunity to up-sell premium products to price insensitive customers by leveraging its exclusive access to high-end customer segments. First Media also takes care of children's Internet access needs by providing innovative and content-protected FastNet KIDS package.

HomeCable offers a total of 98 local and international TV channels covering news, education, movies, lifestyle, entertainment, sports, music and kids channels. Packages offered include HomeCable Family, HomeCable Family Plus, HomeCable Ultimate, Sport Channels and attractive selection packs/add-ons with subscription fees starting from Rp60,000 per month, depending on the number of channels/selections.

DataComm services provide good connectivity and availability for decision making process and business continuity. DataComm serves 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 the corporate customers the very simple and flexibility technology to adapt. Through its DataComm business, First Media is presently the market leading provider of high capacity and high speed data communications solutions to its commercial subscribers with edge in coverage of key commercial office buildings and hotels in Jakarta region.

In 2010, First Media focused on improvement of its services and customer satisfaction as well as adoption of advance technology. This resulted in a healthy growth of its customer base, a key and critical factor behind the success of any subscriber-based business model, strengthening of the dominance of the Triple-play Megamedia services, as well as achievement of satisfactory operating results for 2010. First Media has implemented more aggressive marketing campaign to promote its service offerings and introduced more channels and packages to meet market needs.

In June 2010, First Media soft launched its new WiMAX service "Sitra". 125 Base Transceiver Stations (BTS) have been deployed up to 31st December 2010 and more infrastructure work and deployment of WiMAX facilities are ongoing. The network already covers some prominent areas in West and South Jakarta. Until the end of 2010, more than 2,000 users have tested the 3 Mbps WiMAX speed connection. At the same time, First Media started to develop Video on Demand (VOD) applications. This new trend technology will provide more freedom to subscribers to choose their personal program lineups and more opportunity for contents development.

First Media has also undergone a successful trial run for broadcasting HD (high definition) TV programmes through its HFC network since August 2010. In November 2010, it became the first cable TV operator in Indonesia to offer HD programmes by introducing two HD channels, HBO and ESPN, in its cable TV packages. First Media's DataComm has been the sole network provider to Indonesia Stock Exchange for its JATS — Remote Trading for eight years now.

In November 2010, First Media started its second phase network coverage expansions. As of 31st December 2010, First Media's fibre optic cable reached over 4,000 km whilst its coaxial cable network reached approximately 4,900 km, passing more than 506,000 homes. This HFC network covers major residential and central business districts in Greater Metropolitan Jakarta and other prime cities in Indonesia such as Surabaya and Bali. At the end of 2010, Cable TV subscribers and broadband Internet subscribers reached approximately 173,000 and over 172,000 respectively.

In 2010, First Media was awarded The Best Contact Center in Indonesia by Indonesia Contact Center Association as an evidence of First Media's commitment to customer satisfaction and also SWA Word of Mouth Awards for HR Excellence in training and developing its employees.

In March 2010, the Company completed its capital reduction, share sub-division and change in board lot size of its shares. In May 2010, First Media successfully completed its rights issue raising a total of approximately HK$381.8 million for enhancing its capital structure as well as working capital or business development. In June 2010, First Media transferred certain assets to its wholly-owned subsidiary, Link Net, as part of its continuing reorganisation and rationalisation exercises.

Prospects

Indonesia continues to post strong economic growth with GDP growth for the first quarter of 2011 and foreign direct investment forecast to reach 6.4% and 42% respectively year-on-year according to its central bank in the light of optimism towards the country. With more than half of the population of 240 million people below 30 years of age, and a rapidly growing middle class, Indonesia offers highly lucrative market growth opportunities as evidenced by the continuing growth of Internet users in Indonesia (estimated to have reached 57.8 million people in 2010). By capitalising on the above positive factors, First Media, backed by its HFC network, will focus on penetration of its core businesses via the Triple-play services and pursue new potential and lucrative areas of network expansion. First Media plans to offer more HD TV channels and make commercial launch of its WiMAX service in 2011. It expects to attract a sizeable number of WiMAX subscribers within its first operational year with an objective of significant growth in the next few years from 2011 by investing wisely in the WiMAX service to transform First Media into a Quadruple-Play service provider.

In March 2011, First Media, Link Net and First Media TV of the Group entered into a transaction which constitutes a very substantial disposal (as defined under the GEM Listing Rules) of the Company. The Board believes that the transaction will have a positive effect on the Group as a whole. As at 24th March 2011, an announcement has yet to be released by the Company. The Group will continue to explore expansion and funding opportunities for its businesses with an aim to fostering its leading operating position in Indonesia. On the back of the Quardruple-play platform, the Group will seek investment opportunities in new areas so as to broaden its revenue base and enhance value for its shareholders.

Employees

As at 31st December 2010, The Group had approximately 630 employees (2009: 560. Their remuneration, promotion and salary review are assessed based on job responsibilities, work performance, professional experiences and the prevailing industry practices. The 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.

For the year ended 31st December, 2009

Financial Review

The Group's results for 2009 were analysed based on the continuing operations namely Broadband Services and discontinued operations namely Retail (i.e. the segment primarily engaging in retail operations) and IT Solutions (i.e. the segment primarily engaging in the provision of IT systems integration and solution services).

Continuing Operations

Turnover

During the year under review, the 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

The 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

The 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

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

Finance Resources, Capital Structure and Foreign Exchange Exposure

The Group primarily financed its operations with internally generated cash flows and borrowings during 2009. As at 31st December 2009, the 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.

During the year, the 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.

The 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, The Group has foreign currency exposure mainly in transaction and conversion risks. The Group will continue to take measures to minimise its foreign exchange exposure.

Discontinued Operations

Results and Profit attributable to Owners

The 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.

Segment information

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

	Discontinued operations			
	Broadband Services	**Retail**	**IT Solutions**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'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
As at 31st December, 2009				
Segment assets	1,304,057	—	—	1,304,057
Segment liabilities	(1,096,651)	—	—	(1,096,651)

Significant Investments Held

For the year ended 31st December, 2009, the Group had no significant investments held.

Future Plans for Material Investments or Capital Assets

As at 31st December, 2009, the Group did not have any significant investment plans.

Capital Commitments

As at 31st December, 2009, the Group had no material capital commitments.

Contingent Liabilities

As at 31st December, 2009, the Group had no material contingent liabilities.

Material Acquisitions and Disposals of Subsidiaries

Apart from the payment of a special dividend by way of a distribution in specie of all the Company's shareholdings in PT Multiploar Tbk, the Group had no material acquisitions and disposals of subsidiaries for the year ended 31st December, 2009.

Charge of Assets

As at 31st December, 2009, the Group's trade receivables of approximately HK$68.84 million and bank balances of HK$25.50 million were pledged as security for certain banking and other borrowing facility of the Group.

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 JATSRemote 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 The 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, the 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. The 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.

For the year ended 31st December, 2008

Financial Review

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

Turnover

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

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

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

Gross Profit

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

Profit from Operations

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

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

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

Share of Results of Associates

The Group recorded a share of loss of associates of HK$15.7 million compared to a share of profit of HK$7.1 million for 2007.

Loss attributable to Shareholders

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

Finance Resources, Capital Structure and Foreign Exchange Exposure

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

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

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

Segment information

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

		Discontinued operations		
	Broadband Services	**Retail**	**IT Solutions**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'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
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)

Significant Investments Held

For the year ended 31st December, 2008, the Group had no significant investments held.

Future Plans for Material Investments or Capital Assets

As at 31st December, 2008, the Group did not have any significant investment plans.

Capital Commitments

As at 31st December, 2008, the Group had an unpaid balance of capital contributions to an associate of approximately HK$114.66 million and a contracted acquisition of plant and equipment of approximately HK$103.90 million.

Contingent Liabilities

As at 31st December, 2008, the Group had no material contingent liabilities.

Material Acquisitions and Disposals of Subsidiaries

For the year ended 31st December, 2008, the Group had no material acquisitions and disposals of subsidiaries.

Charge of Assets

As at 31st December, 2008, the Group's property, plant and equipment of approximately HK$16.01 million, investment properties of HK$37.66 million, investment in subsidiaries with market value of approximately HK$946.28 million, inventories of approximately HK$32.91 million, trade receivables of approximately HK$85.42 million, financial assets at fair value through profit or loss of approximately HK$220.26 million and bank deposits of approximately HK$98.81 million were pledged as security for certain banking and other borrowing facility other than bonds payable of the Group.

Business Review

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

Matahari

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

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

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

First Media

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

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

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

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

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

Multipolar

Multipolar (an approximately 51.2% owned subsidiary of the Company listed on the Indonesia Stock Exchange), being the core of IT Solutions, is one of the prominent professional IT solutions providers in Indonesia with four core units: hardware and infrastructure, business solutions, consulting services and outsourcing services.

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

Multipolar's outsourcing services unit has shown significant growth with three core offerings — data centre shared facilities, field services and micro-payment. Such offerings comprise data centre maintenance and Business Process Outsourcing (BPO) ranging from Electronic Data Center (EDC) to Automatic Teller Machine (ATM), and also provide shared services for various applications such as core banking system, financial system, document management, facilities management and HR management.

Prospects

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

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

Employees

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

II. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

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

Indonesia continues to post strong economic growth with GDP growth for the first quarter of 2011 and foreign direct investment forecast to reach 6.4% and 42% respectively year-on-year according to its central bank in the light of optimism towards the country. With more than half of the population of 240 million people below 30 years of age, and a rapidly growing middle class, Indonesia offers highly lucrative market growth opportunities as evidenced by the continuing growth of Internet users in Indonesia (estimated to have reached 57.8 million people in 2010). By capitalising on the above positive factors, the First Media Group, backed by its HFC network, will focus on penetration of its core businesses via the Triple-play services and pursue new potential and lucrative areas of network expansion. The First Media Group plans to offer more HD TV channels in 2011.

In addition to the Relevant Businesses carried on by First Media through its subsidiary LinkNet, the First Media Group is also involved in, or is considering entering into or exploring opportunities in, the Other Businesses including (1) the business of owning and operating an entertainment programme production business, a news channel business and home shopping channels; (2) Sitra WiMAX; (3) the business of owning and operating an advertising and media publishing business; and (4) owning and operating a cloud computing business. The strong economic development in Indonesia will pose great demand for news and other media channels and wireless broadband services. In response to this, the First Media Group has been expanding into the most advanced wireless broadband operation. The First Media Group plans to make a grand launch of the latest high speed 4G Sitra WiMAX, having made a successful soft launch in 2010, and expects to attract a sizeable number of Sitra WiMAX subscribers within its first operational year with an objective of significant growth in the next few years from 2011 by investing wisely in the Sitra WiMAX service to transform the First Media Group into a Quadruple-Play services provider in Indonesia. As mentioned in "Part H. Reasons and benefits of the Proposed Transactions" under the section "Letter from the Board" of this Circular, the First Media Group has retained BofAML to undertake a strategic review of its business and operations and that includes reviewing the alternative strategic options for the Sitra WiMAX business. The remaining businesses of the First Media Group are either in an introductory phase or are currently small scale operations. Accordingly, First Media intends to focus its resources on the Sitra WiMAX business. Although there is no concrete development or resources plans for the rest of the Other Businesses, First Media will continue to monitor the market conditions and industry development to further develop these other businesses if First Media considers that the business opportunities are attractive.

The Group will continue to explore expansion and funding opportunities for its businesses with an aim to fostering its leading operating position in Indonesia. On the back of the Quadruple-play platform, the Group will seek investment opportunities in new areas so as to broaden its revenue base and enhance value for its shareholders.

III. STATEMENT OF INDEBTEDNESS

As at the close of business on 31st March, 2011, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had total outstanding borrowings of approximately HK$1,283.81 million, comprising secured bank loans of approximately HK$82.48 million, unsecured bank loans of approximately HK$854.88 million, other unsecured borrowings of approximately HK$51.86 million, unsecured notes payable of approximately HK$230.87 million, finance lease payables of approximately HK$34.73 million and unsecured amounts due to related companies of approximately HK$28.99 million. The bank loans were secured by the pledge of the Group's property, plant and equipment and trade receivables with carrying value of approximately HK$76.38 million as at 31st March, 2011.

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, as at the close of business on 31st March, 2011, the Group did not have other outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

IV. SUFFICIENCY OF WORKING CAPITAL

After taking into account the estimated net proceeds from the Proposed Transactions, the Group's internal resources, the presently available banking facilities and other facilities of the Group, and in the absence of unforeseen circumstances, the Directors are of the opinion that the working capital available to the Group is sufficient for the Group's requirements for at least 12 months from the date of this circular.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS IN SECURITIES

(A) Directors and Chief Executive

As at Latest Practicable Date, 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 SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors and the chief executive of the Company were taken or deemed to have under such provisions of the SFO); or (ii) as recorded in the register required to be kept by the Company under Section 352 of the SFO or (iii) as notified to the Company and the Stock Exchange under Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange 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 Director (being also the chief executive) of the Company was granted on 23rd June, 2000 (the "Grant Date") options to subscribe for Shares at a subscription price of HK$3.28 per Share as follows:

	Number of underlying shares			
Name	**Granted**	**Lapsed**	**Outstanding as of 31st December, 2010**	**Percentage of enlarged issued share capital**
Mr. Marshall Wallace COOPER	355,000	(355,000)*(Note)*	—	—
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 shares, underlying shares or debentures of the Company or any of its associated corporations.

(B) Substantial Shareholders

As at the Latest Practicable Date, the interests and short positions of the substantial Shareholders in the Shares and underlying Shares (in respect of positions held pursuant to equity derivatives) 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 ("Madam 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 is the trustee of a discretionary trust, which was founded by Dr. Riady who does not have any interest in the shares of Lanius. The beneficiaries of the trust include his family members.

Dr. Riady and his wife, Madam Suryawaty, are taken to be interested in the shares of the Company under the provisions of the SFO.

Long and Short Position in Shares and Underlying Shares of the Company held by Substantial Shareholders and Other Persons

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors or the chief executive of the Company, no substantial Shareholder or other person (other than the Directors or the chief executive of the Company) were interested in any long position or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

3. COMPETING INTERESTS

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

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

4. LITIGATION

On 3rd September, 2008, PT Ayunda Prima Mitra (a subsidiary of the First Media), had filed a lawsuit to the District Court of South Jakarta with Register No: 1100/Pdt.G/2008/PN.JKT-SEL against Astro All Asia Networks PLC (Defendant I), Measat Broadcast Network System SDN BHD (Defendant II), All Asia Multimedia Networks FZ-LLC (Defendant III), Measat Satellite Systems SDN BHD (Defendant IV), Ralph Marshall (Defendant V), Sean Dent (Defendant VI), Nelia Concap Cion Molato (Defendant VII), Liza Tjondro (Defendant VIII), PT Adi Karya Visi (Defendant IX), Tara Agus Sosrowardoyo (Defendant X), PT Karyamegah Adijaya (Defendant XI), PT Abadi Berkah (Defendant XII) and PT Direct Vision (Co-Defendant). First Media is not a party in this lawsuit. PT Ayunda Prima Mitra ("APM") filed the said lawsuit to claim for a total amount USD1.5 billions ("Indonesian Proceedings").

An interim decision was ordered on 13th May, 2009, with respect to the Indonesian Proceedings which rejected the challenges submitted by the Defendants I, II, III and V and held that the said court is competent and has the jurisdictional powers to hear the matter ("Interim Decision"). In response to the Interim Decision, the relevant defendant has made an appeal at Jakarta District Court on 22nd May, 2009 by Defendant I, II, III and V. Further on 17th September, 2009, the District Court of South Jakarta issued the decision with respect to the Indonesian Proceedings, pursuant to which the District Court of South Jakarta has rejected the claim based solely on civil procedural issues, without having examined the merit of the case. APM has made an appeal against the said principle case decision to the Jakarta High Court on 28th September, 2009. The status of the Indonesian Proceedings is currently in the examination stage at the appeal level in the Jakarta High Court.

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 ("Astro Group") filed a Notice of Arbitration against APM, First Media and PT Direct Vision ("Direct Vision") under the rules of Singapore

International Arbitration Centre ("SIAC") in Singapore. The Notice of Arbitration, dated 6th October, 2008 filed by Astro Group claimed payment of the sum of approximately USD245 million by way of restitution and/or quantum merit by APM, First Media and Direct Vision pursuant to the Subscription and Shareholders Agreement dated 11th March, 2005 ("SSA"), as well as damages for breach of Clause 17.6 of the SSA arising out of the Indonesian Proceedings.

On 7th May, 2009, SIAC issued an Award on Preliminary Issues of Jurisdiction, Interim Anti-Suit Injunction and Joinder ARB No. 062 of 2008 ("Interim Arbitration Award"). Astro Group applied for the enforcement of the Interim Arbitration Award to the Chairperson of the District Court of Central Jakarta.

On 28th October, 2009, the Chairperson of the District Court of Central Jakarta held that the Interim Arbitration Award is non executable (Non Executorial), i.e. cannot be executed in Indonesia, and this non-executorial court order was later to be affirmed by the Supreme Court on February 24, 2010 with registration No. 01 K/Pdt.Sus/2010 ("Supreme Court Decision"). In this Supreme Court Decision, as a final and binding court judgement in Indonesia, the Indonesian Supreme Court has of the consideration that the Interim Arbitration Award has violated a principle of Indonesian sovereignty, since the Interim Arbitration Award has intervened the valid legal process of the Indonesian Proceedings, and therefore the Interim Arbitration Award has against the public order in Indonesia.

On 16th February, 2010, SIAC issued the Interim Final Award ARB No. 062 of 2008 (registered at SIAC Registry of Award as Award No.7 of 2010 on 18th February, 2010) ("Interim Final Award") and ordered that APM, First Media and Direct Vision are jointly and severally liable in restitution, for the following sums:

(a) to Astro All Asia Network PLC, the sum of RM103,333,546;

(b) to Measat Broadcast Network Systems SDN BHD, the sums of USD5,773,134; and

(c) to All Asia Multimedia Networks FZ-LLC, the sum of USD59,327,055.

Further, in relation to the claims arising out of the Indonesian Proceedings, the Tribunal ordered that APM and First Media shall pay damages to Astro Nusantara International BV and Astro Nusantara Holdings BV in the amounts of USD608,176.54, GBP22,500 and SGD65,000.

The Interim Final Award has been amended as stipulated in the Memorandum of Correction Pursuant to Rule 28.1 of The SIAC Rules 2007 dated 23rd March, 2010 in which, inter alia, the amount of restitution awarded to All Asia Multimedia Networks FZ-LLC has been amended from USD59,327,055 to USD59,459,258 ("Amendment of Interim Final Award").

On 5th February, 2010, SIAC issued a Further Partial Award and SIAC Award on Cost for the Preliminary Hearing from 20th to 24th April, 2009 in which APM, First Media and Direct Vision were ordered to pay the Cost for the Preliminary Hearing from 20th to 24th April, 2009 in the amount of (if converted to the USD) approximately USD600,000 ("Partial Costs Award").

On 3rd August, 2010, the arbitral tribunal of SIAC further issued a Final Award on Interests and Costs ("Final Costs Award") whereby APM, First Media and Direct Vision were held jointly and severally to:

(a) pay interest to Astro All Asia Network PLC in the amount of RM35,947,386;

(b) pay interest to Measat Broadcast Network Systems SDN BHD in the amount of USD1,397,493; and

(c) pay interest to All Asia Multimedia Networks FZ-LLC in the amount of USD14,531,934.

The SIAC further apportioned the costs of arbitration and held APM, First Media and Direct Vision to be fully responsible for the entire cost of arbitration whilst taking into account deposits already paid to the SIAC and the amount already paid directly to the claimants following the hearing in London in September 2009. The legal costs and disbursements in which APM, First Media and Direct Vision were jointly and severally liable are in the amount of GBP730,024, SGD2,881,245, RM63,328 and USD35,547.

On 27th May, 2010, Astro Group has filed a registration for the enforcement of (i) Interim Final Award; (ii) Amendment of Interim Final Award; and (iii) Partial Costs Award (hereinafter collectively referred to as the "SIAC Awards") to the District Court of Central Jakarta. As a response to this registration, on 23rd June, 2010, APM and Direct Vision have filed two (2) separate lawsuits at the District Court of Central Jakarta against Astro Group under the registration numbers: (i) 300/PDT.G/2010/PN.Jkt.Pst ("Case 300") and (ii) 301/PDT.G/2010/PN.Jkt.Pst ("Case 301") to refuse and nullify the enforcement of the SAIC Awards on the grounds among other things that the said SIAC Award has contradicted with Indonesian public policies. Last session of both cases were held on 14th April, 2011, whereas for the Case 300, both disputed parties have submitted preliminary evidences to the tribunal judges, and on the Case 301, APM and Direct Vision as the plaintiffs have submitted their responses to the defendants' answers.

Based on a legal opinion obtained from First Media's Indonesian lawyer dated 10th March 2011, the Interim Final Award (as amended by the Amendment of Interim Final Award), Partial Costs Award and Final Costs Award (hereinafter collectively referred to as the "Awards") are 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 Awards are continuance of the Interim Arbitration Award as the Interim Arbitration Award was determined to be unenforceable by the Central Jakarta District Court which has been affirmed by the Supreme Court.

Accordingly, First Media is of the opinion that, based on its Indonesian lawyer's advices, the Awards could not be enforced in Indonesia and First Media is not legally liable for execution of the Awards under the applicable laws of Indonesia.

As at the Latest Practicable Date, saved as disclosed above, there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has any existing or proposed service contract with any member of the Group which does not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

There is no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director is materially interested and which is significant in relation to the business of the Group. As at the Latest Practicable Date, none of the Directors has, or has had, any direct or indirect interest in any assets which have been acquired, disposed of by or leased to, or which are proposed to be acquired, disposed of by or leased to, any member of the Group since 31st December, 2010, the date to which the latest published audited consolidated financial statements of the Group were made up.

7. MATERIAL ADVERSE CHANGE

There were no material adverse changes in the financial or trading position or outlook of the Group since 31st December, 2010, the date to which the latest published audited financial statements of the Group were made up.

8. AUDIT COMMITTEE

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

The Audit Committee comprises three independent non-executive Directors, namely Mr. Albert Saychuan CHEOK, Dr. Boh Soon LIM and Mr. Thomas Yee Man LAW and their biographies are as follows:

Mr. Albert Saychuan CHEOK, aged 60, joined the Board as an independent non-executive director in February 2006 and was appointed the Chairman of the Board in October 2008. He is also the Chairman of the Audit Committee and Remuneration

Committee of the Company. Mr. Cheok graduated from the University of Adelaide with First Class Honours in Economics. Mr. Cheok is also a Fellow of CPA Australia. He is a banker with over 30 years experience in banking in the Asia-Pacific region.

Between May 1979 and February 1982, Mr. Cheok was an adviser to the Australian Government Inquiry into the Australian financial system which introduced comprehensive reforms to the Australian banking system. He was Chief Manager at the Reserve Bank of Australia from October 1988 to September 1989 before becoming the Deputy Commissioner of Banking of Hong Kong for about three and a half years. He was subsequently appointed the Executive Director in charge of Banking Supervision at the Hong Kong Monetary Authority from April 1993 to May 1995.

From September 1995 to November 2005, Mr. Cheok was the Chairman of Bangkok Bank Berhad in Malaysia, a wholly-owned subsidiary of Bangkok Bank of Thailand. Mr. Cheok also served as the Deputy Chairman of Asia Life (M) Berhad, a major life insurer in Malaysia from January 1999 to June 2008.

He is currently the Chairman of Auric Pacific Group Limited ("Auric"), a diversified food group listed on the Singapore Exchange Securities Trading Limited (the "Singapore Exchange") with operations in Singapore, China and Malaysia. He is also the Vice Chairman of the Export and Industry Bank of the Philippines.

Mr. Cheok is also the Chairman of the managers of two listed trusts and another listed company in Singapore. These are Bowsprit Capital Corporation Limited, the manager of First Real Estate Investment Trust; Lippo-Mapletree Indonesia Retail Trust Management Limited, the manager of Lippo-Mapletree Indonesia Retail Trust; and Amplefield Limited, a components manufacturer.

In Malaysia, Mr. Cheok is a non-executive director of the following listed companies: Eoncap Islamic Bank Berhad; MIMB Investment Bank Berhad; Metal Reclamation Limited, a lead refinery; and Oriental Capital Assurance Berhad, a general insurance company.

Mr. Cheok is also a member of the Board of Governors of the Malaysian Institute of Corporate Governance.

Mr. Cheok is also the independent non-executive director of Hongkong Chinese Limited, a company listed on the Stock Exchange.

Dr. Boh Soon LIM, aged 55, 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. Thomas Yee Man LAW, aged 54, has been an independent non-executive Director of the Company since May 2010. He was the Managing Director of Hunter Douglas China/ Hong Kong Limited and had been a director of various Hunter Douglas companies over a 20-year period in Singapore and Shanghai, Beijing, Shenzhen and Xiamen in the People's Republic of China. Prior to that, he was the deputy general manager of a subsidiary of K.Wah Stones Group in Hong Kong. He graduated from the University of Melbourne in Australia with a Bachelor of Architecture degree, and from the University of Warwick in the United Kingdom with a Master of Science degree in Engineering Business. He is an associate member of the Royal Australian Institute of Architects.

9. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years preceding the Latest Practicable Date and are or may be material:

(i) the Investment Agreement;

(ii) the Shareholders' Agreement; and

(iii) the Reorganisation Agreement.

10. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions or advice contained in this circular:

Name	**Qualification**
RSM Nelson Wheeler	Certified public accountants

RSM Nelson Wheeler has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letters, reports and/or references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, RSM Nelson Wheeler did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, RSM Nelson Wheeler did not have any direct or indirect interests in any assets which had been, since 31st December, 2010 (being the date to which the latest published audited financial statements of the Group were made up), been acquired or disposed of by or leased to the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

11. GENERAL

(a) The registered office of the Company is situated at P.O. Box 309GT, Ugland House, George Town, Grand Cayman, Cayman Islands and the head office and principal place of business of the Company in Hong Kong is situated at Room 4302, 43rd Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong.

(b) The compliance officer of the Company is Mr. Marshall Wallace COOPER. He has over 20 years' experience in Asia. Prior to joining the 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.

(c) The company secretary of the Company is Kelsch Woon Kun WONG. He is a Chartered Secretary and a fellow of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom.

(d) The Hong Kong branch share registrar and transfer office of the Company is Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.

(e) The English texts of this circular and the enclosed proxy form shall prevail over the Chinese texts.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the head office and principal place of business of the Company in Hong Kong at Room 4302, 43rd Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong from the date of this circular and up to the date of the EGM (except Saturdays, Sundays and public holidays):

(a) the memorandum and articles of association of the Company;

(b) the annual reports of the Company for the two years ended 31st December, 2009 and 2010;

(c) the letter of consent referred to in the section headed "Expert and Consent" in this appendix;

(d) the material contracts referred to in the section headed "Material contracts" in this appendix and the agreed forms of the Option Agreement, the Bond Instrument, the Share Pledge and the Vendor Loan agreement as respectively set out in Appendix B, A, C and E of the Investment Agreement;

(e) the independent review reports prepared by RSM Nelson Wheeler on the financial information of the Group, Link Net and FMTV as set out in Appendix I to this circular; and

(f) the accountants' report from RSM Nelson Wheeler relating to the unaudited pro forma financial information on the Group, the text of which are set out in Appendix II to this circular.

ACROSSASIA LIMITED

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

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of AcrossAsia Limited (the "Company") will be held at No. 4, Ground Floor, Lippo Centre, 89 Queensway, Hong Kong on 26th May, 2011 at 10:00 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

"**THAT**:

(a) each of the investment agreement dated 21st March, 2011 (the "Investment Agreement") (a copy of which has been produced to this Meeting marked "A" and initialled by the Chairman of this Meeting for the purpose of identification) entered into between PT First Media Tbk ("First Media"), PT Link Net ("Link Net"), PT First Media Television ("FMTV") and Asia Link Holdings Limited (the "Investor") pursuant to which the Investor will inter alia, subscribe for 1,032,649,384 ordinary shares in the capital of Link Net (subject to adjustment in accordance with the terms of the Investment Agreement), 2,500 ordinary shares in the capital of FMTV and a bond to be issued by First Media for the sum of IDR722,310,112,156 (subject to adjustments in accordance with the terms of the Investment Agreement) and be granted an option to purchase existing ordinary shares in the capital of Link Net (the "Option"), in each case on and in accordance with the terms of the Investment Agreement, and the exercise of the Option, and all other transactions and agreements contemplated therein; and the shareholders' agreement dated 21st March 2011 (the "Shareholders' Agreement") (a copy of which has been produced to this Meeting marked "B" and initialled by the Chairman of this Meeting for the purpose of identification) entered into between First Media, Link Net, FMTV and the Investor, setting out the respective rights and obligations of First Media and the Investor in connection with their investments and shareholdings in Link Net and FMTV and all other transactions and agreements contemplated therein be and are hereby confirmed, approved and ratified;

(b) the Directors of the Company (or any one of them) be and are hereby authorised to execute or to authorise the execution of such documents on behalf of the Company as they may consider necessary or desirable and to do whatever acts and things they consider necessary or desirable or expedient for the purpose of, or in connection with, the foregoing resolution, including without limitation the implementation of the Investment Agreement, the Shareholders' Agreement, the grant and exercise of the Option and the transactions and agreements contemplated thereunder."

By Order of the Board
Kelsch Woon Kun WONG
Company Secretary

Hong Kong, 9th May, 2011

Head Office and Principle Place of Business in Hong Kong:
Room 4302, 43rd Floor
Lippo Centre, Tower One
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 the above Resolution 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 or proxy shall not preclude a member from attending and voting in person at the meeting an in such event, the form of proxy shall be deemed to be revoked.