ACROSSASIA LIMITED

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

Annual Report 2012

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

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

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

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

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CORPORATE INFORMATION

DIRECTORS

Executive Director

Vicente Binalhay ANG *(Chief Executive Officer)*

Independent non-executive Directors

Albert Saychuan CHEOK *(Chairman of the Board)*
Dr. Boh Soon LIM
Thomas Yee Man LAW

COMPANY SECRETARY

Kelsch Woon Kun WONG, FCIS, FCS

COMPLIANCE OFFICER

Vicente Binalhay ANG

AUDIT COMMITTEE

Albert Saychuan CHEOK
(Chairman of the Audit Committee)
Dr. Boh Soon LIM
Thomas Yee Man LAW

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

Albert Saychuan CHEOK
(Chairman of the Nomination Committee)
Dr. Boh Soon LIM

AUTHORISED REPRESENTATIVES

Vicente Binalhay ANG
Kelsch Woon Kun WONG

AUTHORISED PERSON TO ACCEPT SERVICE OF PROCESS AND NOTICES

Kelsch Woon Kun WONG

REGISTERED OFFICE

The offices of Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 4302, 43rd Floor, Tower One
Lippo Centre, 89 Queensway
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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26th Floor, Tesbury Centre
28 Queen's Road East
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LEGAL ADVISERS TO THE COMPANY

As to Hong Kong Law:

Howse Williams Bowers
27th Floor, Alexandra House
18 Chater Road, Central
Hong Kong

Reed Smith Richards Butler
20th Floor, Alexandra House
18 Chater Road, Central
Hong Kong

As to Cayman Islands Law:

Maples and Calder
53rd Floor, The Center
99 Queen's Road Central
Hong Kong

AUDITOR

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

PRINCIPAL BANKER

China CITIC Bank International Limited
Lippo Centre, 89 Queensway
Hong Kong

STOCK CODE

8061

WEBSITES OF THE COMPANY AND MAJOR SUBSIDIARIES

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

On behalf of the Board of Directors (the "Board") of the Company, I present the Annual Report of the Company and its subsidiaries (collectively "AcrossAsia Group") for the financial year ended 31st December 2012 ("2012") to our shareholders.

2012 has been a particularly challenging year for the Company notwithstanding the promising outlook for the business operations of the Company's subsidiaries. As in the previous year, much of the resources and efforts of the Board and Management of the Company have been deployed in responding to and dealing with the garnishee nisi proceedings in Hong Kong on the one hand and the arbitration and bankruptcy proceedings in Indonesia on the other hand, both of which had their common origin in a Singaporean arbitration dispute between the Astro Group of Malaysia and PT First Media Tbk ("First Media"), which is a 55.1% owned subsidiary of the Company.

This dispute between the Astro Group and First Media led to the Singapore International Arbitration Centre in 2009 and 2010 making certain substantial arbitration awards in favour of the Astro Group.

Independently of the events happening in Singapore, in June 2011, the Company entered into a facility agreement with First Media which saw the Company borrowing US$44 million from First Media to refinance the AcrossAsia Group's debt requirements. The facility agreement was entered into in Indonesia and is governed by Indonesian law, and provides for Indonesian arbitration in the event of a dispute. The debt is to be repaid in Indonesia where First Media is based.

The Astro Group in its attempts to also enforce the Singapore arbitration awards outside Singapore took advantage of the Company's legal presence in Hong Kong and its indebtedness to First Media to attach the debt due by the Company to First Media by way of a garnishee order to show cause which was granted by the Hong Kong High Court in July 2011. The effect of this order was to freeze the Company's said debt to First Media and to prevent it from being repaid by the Company to First Media when it became due for repayment in June 2012.

Notwithstanding the garnishee proceedings in Hong Kong, First Media had also taken a series of escalatory steps in Indonesia to seek the recovery of the said debt from the Company after it had fallen due on 30 June 2012, beginning with Indonesian arbitration proceedings as provided for under the facility agreement, followed by "Armaning" proceedings and most recently by bankruptcy proceedings in the Indonesian court. First Media has been able to achieve this because the Indonesian court did not recognise the garnishee order to show cause and considered the debt to be recoverable only in Indonesia.

Put simply, the Company continues to be caught in the crossfire between the Astro Group and First Media. As a result of the continuing battle between these two companies, the Company has been placed in a serious dilemma. On the one hand, First Media has obtained judgment in Indonesia against the Company for the amount of US$46,774,403 being the principal sum of the loan together with interest due by the Company to First Media and First Media has instituted bankruptcy proceedings against the Company to compel the Company to pay the debt to First Media in Indonesia. On the other hand, the Astro Group has obtained a garnishee order to show cause and further orders from the Hong Kong High Court compelling the Company to make the payment of the debt into court in Hong Kong. The serious dilemma faced by the Company is that pursuant to Indonesian laws, the Company must make the payment to First Media in Indonesia in order to fully discharge the debt. Therefore, if the Company makes the payment into court in Hong Kong, the Company faces the peril of still being compelled to make the payment of the debt to First Media in Indonesia, thus the Company would be required to pay the same debt twice. This will have serious repercussions on the Company's financial resources.

Pursuant to First Media's efforts to enforce payment of the debt by the Company, First Media has taken out further execution proceedings against the Company resulting in the Company being declared bankrupt on 5th March 2013 pursuant to Indonesia laws. The Company was incorporated in the Cayman Islands and its constitution is governed by the laws of its place of incorporation. Accordingly, the Company has sought advice from its Cayman Islands lawyer and has been advised that the Company lawfully remains under the control of its board of directors and can continue to operate and have its shares traded on the Stock Exchange in Hong Kong. Further, the businesses of Company's subsidiaries are unaffected by the Indonesian bankruptcy order. The Company has appealed vigorously against the Indonesian bankruptcy order and according to the Company's Indonesian lawyer, the Company has raised good grounds in its appeal.

While the battle between the Astro Group and First Media continues, the Company continues to spend considerable resources in tackling this grave dilemma. The on-going legal proceedings would inevitably take up much of the Company's time and resources thus directly affecting the Company's ability to explore business opportunities for AcrossAsia Group until the saga comes to an end. The Board will continue to use its endeavours to defend its case in the interest of its shareholders.

Notwithstanding the above saga, the Board is pleased to see that the major operating subsidiaries of the Company continue to grow their businesses to tap the promising growth in Indonesia.

Indonesia has recorded a continuous growth in GDP (Gross Domestic Product) of over 6% for six consecutive years and is expected to maintain the growth trend in 2013. Its domestic consumption continues to help offset the impacts of global economic slowdown despite a fall in exports and a weakened currency in 2012. The expanding middle class and its relatively young 240-million population, the growing economic affluence and global consumer technology trend and the increasing demand for data and media services will all greatly benefit the core businesses of AcrossAsia Group.

For 2012, AcrossAsia Group achieved record-high turnover of HK$617.1 million and HK$337.7 million, representing year-on-year increases of 16% and 44%, from broadband Internet and cable TV businesses respectively. Also, the subscriber bases for both broadband Internet and cable TV businesses increased by more than 50% during 2012.

On behalf of the Board, I would like to express my sincere gratitude to the clients, suppliers and business partners of AcrossAsia Group for their continuing support. I would also like to thank my fellow Directors for their dedication, support and guidance. I also extend my appreciation to the Management and Staff for their hard work, contributions and commitment.

Albert Saychuan CHEOK
Chairman

Hong Kong, 21st March 2013

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

	2012	2011	2010	2009	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
CONSOLIDATED RESULTS					
Continuing operations					
Turnover	**1,091,166**	920,648	708,984	537,147	428,548
Gross profit	**773,391**	724,985	554,464	320,247	222,441
Profit/(loss) for the year from continuing operations	**(28,069)**	(64,189)	(17,720)	137,922	(137,087)
Profit/(loss) for the year from discontinued operations	**—**	—	—	159,515	(88,271)
Profit/(loss) after tax but before non-controlling interests	**(28,069)**	(64,189)	(17,720)	297,437	(225,358)
Profit/(loss) attributable to owners of the Company	**(90,293)**	(80,431)	(33,145)	162,234	(119,656)
CONSOLIDATED ASSETS & LIABILITIES					
Equity attributable to owners of the Company	**168,291**	298,545	(92,422)	(61,364)	419,225
Non-current assets	**2,190,249**	1,749,460	1,261,363	1,191,146	4,616,954
Current assets	**961,287**	1,070,538	232,187	191,472	4,235,610
Current liabilities	**883,271**	603,811	801,938	761,348	3,914,189
Non-current liabilities	**904,319**	725,308	501,694	595,782	2,614,898

MANAGEMENT REVIEW

FINANCIAL REVIEW

AcrossAsia Group's results for 2012 were analysed as follows:

Turnover

AcrossAsia Group's turnover increased by 18.5% to HK$1,091.2 million compared to HK$920.6 million for 2011 mainly contributed by sustainable increase in demand for broadband Internet and data communication services by HK$83.3 million in aggregate to HK$617.1 million compared to HK$533.8 million in 2011 and cable TV services by HK$104.4 million to HK$337.7 million from HK$233.3 million for 2011.

Gross Profit

AcrossAsia Group's gross profit increased by 6.7% to HK$773.4 million from HK$725.0 million for 2011 mainly attributable to additional demand for foregoing services. The gross profit margin reduced to 70.9% from 78.7% for 2011 mainly due to higher Internet access charges and cable TV programme fees incurred for meeting fast-growing demand for broadband Internet and cable TV services of HK$176.8 million (2011: HK$157.1 million) and higher rental for additional stations in the WiMAX network of HK$80.0 million (2011:HK$37.3 million).

Profit from Operations

AcrossAsia Group recorded a profit from operations of HK$30.9 million compared to HK$18.4 million for 2011. Total operating expenses (excluding other income and expenses) increased to HK$800.7 million from HK$771.3 million for 2011 mainly as a result of increase in depreciation charges and impairment on property, plant and equipment of HK$233.1 million (2011: HK$172.4 million) and staff salaries and benefits of HK$227.4 million (2011: HK$196.4 million) to support the WiMAX business and rapid growth of cable TV and broadband Internet services.

Loss attributable to Owners

AcrossAsia Group recorded a loss attributable to the owners of the Company of HK$90.3 million compared to HK$80.4 million for 2011.

Finance Resources and Capital Structure

AcrossAsia Group acquired property, plant and equipment, purchased intangible assets, injected into associates and repaid loans and debts with funds generated from operations of HK$399.6 million, proceeds from disposal of property, plant and equipment of HK$113.8 million and raised from loans and borrowings of HK$308.8 million. It utilised an aggregate amount of HK$746.8 million for the above activities but still retained cash and cash equivalents of HK$685.4 million as at 31st December 2012. It had current assets of HK$961.3 million as at 31st December 2012. Total interest-bearing borrowings including loans, notes payable, finance lease payables and bond payable increased by HK$281.0 million to HK$1,208.2 million as at 31st December 2012 and were mainly denominated in Indonesian Rupiah and United States Dollars, with interest generally chargeable at market rates and maturity dates ranging from less than a year to 5 years. Certain interest-bearing borrowings were secured by the pledge of AcrossAsia Group's property, plant and equipment and trade receivables.

During the year, AcrossAsia Group implemented and is continuing to implement the following management plan to further improve its financial position: restructuring of borrowings and loans; enhancement of operational efficiency; procurement of long-term debt/equity financing; extension of the penetration of the cable TV and other services; and exploration of new business opportunities. AcrossAsia Group's gearing ratio, representing total borrowings divided by equity attributable to the owners of the Company, was 7.2 times as at 31st December 2012.

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

BUSINESS REVIEW

AcrossAsia Group through First Media (a subsidiary of the Company listed on the Indonesia Stock Exchange in which the Company has a 55.1% interest) and its subsidiaries (collectively "First Media Group") maintained the growth momentum of their services. First Media Group is the unrivalled 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 major Triple-play services, namely FastNet, HomeCable and DataComm, First Media Group 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.

As mentioned before, FastNet is an unlimited high-speed Internet access service offering a variety of connection speeds with smart values and best deals. The service is being enhanced and upgraded continuously. Packages offered currently range from 1.5 Mbps to 30 Mbps (upgraded from 20 Mbps) with minimum subscription fees at Rp350,000 (increased from Rp235,000) per month. With 30 Mbps of unlimited access, First Media Group offers the fastest truly broadband Internet service in Indonesia. It has the unique opportunity to sell premium products to its target customers by leveraging its exclusive access to high-end customer segments. First Media Group also takes care of kids' Internet access needs by providing innovative and content-protected FastNet KIDS packages.

HomeCable now offers a total of 101 SD (standard definition) channels of local and international TV plus 29 HD (high definition) channels covering news, education, movies, lifestyle, entertainment, sports and music channels. Packages offered include HomeCable Family, HomeCable Family Plus, HomeCable Ultimate, Sport Channels and attractive selection packs/add-ons with minimum subscription fees at Rp90,000 per month, depending on the number of channels/selections.

DataComm services provide excellent connectivity and availability for decision making process and business continuity. DataComm continues to serve the demand from 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 flexible technology to adapt. Through its DataComm business, First Media Group remains as the market leading provider of high capacity and high speed data communications solutions to its commercial subscribers with cutting-edge technology in coverage of key commercial office buildings and hotels in Jakarta region. DataComm has been the sole network provider to the Indonesia Stock Exchange for its JATS-Remote Trading for over ten years now. As at 31st December 2012, total corporate accounts were 769 and total links were 1,215.

During 2012, First Media Group maintained its focus on improvement of its services and customer satisfaction in order to grow its customer base as well as its new rollout on the infrastructure to cover untapped areas. The results were continued growth of its customer base, strengthening of the dominance of its major Triple-play megamedia services, together with achievement of satisfactory operating results. First Media Group has implemented marketing campaign to promote its service offerings and introduced more channels and packages as aforesaid to meet market needs.

MANAGEMENT REVIEW

First Media Group's second-phase network coverage expansions are underway. During 2012, it has added over 277,913 home pass to its HFC network. By the end of 2012, its fibre optic cable reached over 4,981 km whilst its coaxial cable network reached over 7,824 km, passing more than 932,800 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. As at 31st December 2012, the number of cable TV subscribers and broadband Internet subscribers continued their increase trend reaching over 275,000 and over 289,800 respectively. First Media Group is rolling out its new high speed 4G WiMAX service "Sitra" to cope with rising demand for mobile data service driven by affluence of smartphones and tablet devices. The network already covers some prominent areas in Jabodetabek (Jakarta, Bogor, Depok, Tangerang and Bekasi). Sitra is expanding its subscriber base and generating more revenue though the pace was slower than expected in 2012.

First Media Group is also developing new businesses such as Berita Satu channel, film TV and advertisement content. Berita Satu as a news content service provider is broadcasted through the HomeCable with HD broadcast quality. Right after its broadcast, Berita Satu has become the main choice for HomeCable pay-TV network subscribers in searching for the best and balanced information.

PROSPECTS

The Board is delighted with the resilience in Indonesia's economic growth that is mainly attributable to strong domestic consumption and foreign and domestic investment, despite continuous global economic slowdown. The positive trend is forecast to continue in 2013 with Indonesia expected to stay at the top amongst Southeast Asian countries in terms of GDP growth. The substantial expansion and enhancement of AcrossAsia Group's broadband Internet, cable TV and Sitra WiMAX networks and services in 2012 is laudable as that would facilitate higher penetration rates and customer base and pave way for higher growth of the businesses in near future. AcrossAsia Group will continue to optimise its business performance of the expanding networks and Quadruple-play megamedia services while going on to strengthen its revenue streams and financial position.

EMPLOYEES

As at 31st December 2012, AcrossAsia Group had approximately 1,024 employees (2011: 750). Their remuneration, promotion and salary review are assessed based on job responsibilities, work performance, professional experiences and the prevailing industry practices. AcrossAsia Group's employees in Hong Kong joined the Mandatory Provident Fund Scheme. Other benefits include incentive bonus and training schemes.

EXECUTIVE DIRECTOR

Mr. Vicente Binalhay ANG, aged 65, has been an executive Director, Chief Executive Officer, Compliance Officer and Authorised Representative of the Company since May 2012 and is also a director of certain subsidiaries of the Company. He was a Partner Adviser of Ernst & Young Indonesia. He has over 15 years of financial consulting and audit experience across a broad range of industry sectors. He also has 7 years' prior working experience with the International Banking Department of an American bank. He is also a director of Sigma Capital Pte. Ltd. ("Sigma Capital") and Theta Capital Pte. Ltd. ("Theta Capital") and the debt securities of Sigma Capital and Theta Capital are listed on the Singapore Exchange Securities Trading Limited (the "Singapore Exchange"). He holds a bachelor's degree in Accounting and a master's degree in Economics. He is a registered Philippine Certified Public Accountant.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Albert Saychuan CHEOK, aged 62, 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, Remuneration Committee and Nomination Committee of the Board and a director of a subsidiary of the Company.

He is a Fellow of CPA Australia Ltd. He graduated from the University of Adelaide, Australia with First Class Honours in Economics. He is a banker with over 30 years experience in banking in the Asia-Pacific region. Between May 1979 and February 1982, he 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 as 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, he was the Chairman of Bangkok Bank Berhad in Malaysia, a wholly-owned subsidiary of Bangkok Bank of Thailand. He also served as the Deputy Chairman of Asia Life (M) Berhad, a major life insurer in Malaysia from January 1999 to June 2008 and was the Vice Chairman of Export and Industry Bank, Inc. in the Philippines.

He is currently the non-executive Chairman of Auric Pacific Group Limited ("Auric"), a diversified food group listed on the Singapore Exchange with operations in Singapore, the People's Republic of China ("China") and Malaysia.

He is also the Chairman of Bowsprit Capital Corporation Limited, the Manager of First Real Estate Investment Trust; independent non-executive Chairman of LMIRT Management Ltd., the Manager of Lippo Malls Indonesia Retail Trust; and independent non-executive Chairman of Amplefield Limited. First Real Estate Investment Trust, Lippo Malls Indonesia Retail Trust and Amplefield Limited are listed in Singapore. In May 2011, he was appointed a director of IPP Financial Services Holdings Ltd.

He is a member of the Board of Governors of the Malaysian Institute of Corporate Governance and an independent non-executive director of Metal Reclamation Bhd., a company listed in Malaysia.

He is also an independent non-executive director of Hongkong Chinese Limited, a company listed on the Stock Exchange and Adavale Resources Limited, a company listed on Australian Securities Exchange.

Dr. Boh Soon LIM, aged 57, has been an independent non-executive Director of the Company since May 2006. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Board. He is an independent non-executive director of Auric and CSE Global Limited, both of which are listed on the Singapore Exchange. He is also an independent non-executive director of Smartag Solutions Berhad, which is listed on the ACE Market of Bursa Malaysia Securities Berhad. He was the first non-Muslim CEO of Kuwait Finance House in Singapore and the first foreign expatriate 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, and was also a member of its Regional Investment Committee. He graduated from the University of Strathclyde (formerly "The Royal College of Science & Technology") in the 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 Memorial 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 the United Kingdom.

Mr. Thomas Yee Man LAW, aged 55, has been an independent non-executive Director and a member of the Audit Committee of the Board since May 2010. He is an independent non-executive director of Sage International Group Limited, a company listed on the Stock Exchange. 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 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.

SENIOR MANAGEMENT

Mr. Irwan DJAJA, aged 41, has been the President Director of First Media since October 2011. He was previously the Finance Director/Chief Financial Officer of First Media. He was a Director/Deputy CEO of PT Clipan Finance Indonesia, Tbk, a public listed multi-finance company in Indonesia, from 2006 to 2009. Prior to that, he worked as an auditor and corporate finance consultant in the accounting firms of Arthur Andersen Co. SC (1994 to 1996) and KPMG (1998 to 2005). He was Director/Associate Partner Corporate Finance of KPMG Indonesia from 2001 to 2005. He graduated from Universitas Trisakti, with a Bachelor of Economics degree majoring in accountancy and from the University of Melbourne with a Master degree in Applied Finance.

CORPORATE GOVERNANCE PRACTICES

The Code on Corporate Governance Practices (the "Former CG Code") set out in Appendix 15 of the GEM Listing Rules was amended and renamed as the Corporate Governance Code (the "CG Code") with effect from 1st April 2012.

The Company has implemented measures to meet the Former CG Code and the CG Code. To the knowledge of the Directors, they consider that the Company has applied the principles of the Former CG Code during the period from 1st January 2012 to 31st March 2012 and the CG Code during the period from 1st April 2012 to 31st December 2012 and to a certain extent, of the recommended best practices thereof and are not aware of any non-compliance with the Former CG Code and the CG Code for the aforesaid periods respectively except that certain information required under paragraph 19 of International Accounting Standard 34 was not provided inadvertently in the Half-year Report 2012 of the Company.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company, having made specific enquiry of all the Directors, was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during 2012.

BOARD OF DIRECTORS

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

During 2012, the Board held 8 physical meetings and the attendance of the Directors is as follows:

Name of Director	Number of Attendance	Percentage of Attendance
Mr. Albert Saychuan CHEOK ("Mr. Cheok")	8/8	100%
Mr. Marshall Wallace COOPER ("Mr. Cooper") (Resigned on 8th May 2012)	2/3	67%
Mr. Vicente Binalhay ANG ("Mr. Ang") (Appointed on 8th May 2012)	5/5	100%
Dr. Boh Soon LIM ("Dr. Lim")	8/8	100%
Mr. Thomas Yee Man LAW ("Mr. Law")	8/8	100%

In addition to the physical meetings of the full Board, the Board also approved matters by resolutions in writing of all the Directors and by meetings of committees of the Board (the "Board Committees").

The Board is responsible for the overall management of the Company in accordance with the Articles of Association of the Company (the "Articles") and is entitled to delegate its powers to any executive Director, Board Committees and the management. The Board is primarily responsible for approval and monitoring of AcrossAsia Group's major corporate matters, evaluation of the performance of AcrossAsia Group and oversight of the management. The Board has delegated specific functions to the Board Committees and the daily operations to the executive Director and management in accordance with specific terms of reference and normal corporate practices and procedures. The executive Director, Board Committees and management carry out the decisions of the Board and are accountable to, consult and make recommendations to the Board as appropriate.

The Company has received the annual confirmation of independence from all the independent non-executive Directors pursuant to Rule 5.09 of the GEM Listing Rules and considered them to be independent.

To the knowledge of the Directors, the Board members have no financial, business, family or other material/relevant relationships with each other.

CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

During 2012, the Directors were briefed on AcrossAsia Group's business, operations and corporate governance matters and provided with notices, updates, amendments, etc. relating to the GEM Listing Rules and relevant laws, rules and regulations. In addition, they attended training in different means with emphasis on their roles, functions and duties as directors of a listed company as follows:

Name of Director	Self study/ reading materials, etc.	Attending course/ seminar/conference/ forum/in-house briefing, etc.
Mr. Cheok	√	√
Mr. Cooper (Resigned on 8th May 2012)	√	√
Mr. Ang (Appointed on 8th May 2012)	√	√
Dr. Lim	√	√
Mr. Law	√	√

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company has two different persons for the posts of the Chairman of the Board and Chief Executive Officer. The Chairman of the Board, Mr. Cheok, is an independent non-executive Director and generally chairs all the Board meetings and general meetings. Mr. Ang (executive Director) was appointed as the Chief Executive Officer in place of Mr. Cooper with effect from 8th May 2012 and is responsible for the day-to-day management of the Company and for carrying out the decisions of the Board with the assistance of other staff.

NON-EXECUTIVE DIRECTORS

The term of office of Mr. Cheok was extended for two years from 22nd February 2012 pursuant to a letter dated 20th February 2012.

The term of office of Dr. Lim was extended for two years from 2nd May 2012 pursuant to a letter dated 22nd March 2012.

The term of office of Mr. Law was extended for two years from 28th May 2012 pursuant to a letter dated 8th May 2012.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the following corporate governance duties:

(1) To observe, and to charge employees with duty to observe, compliance with the GEM Listing Rules and applicable laws and regulations;

(2) To develop, review and monitor the Company's policies, procedures and practices on corporate governance and compliance with legal and regulatory requirements;

(3) To take and monitor the implementation of measures relating to:

  (a) significant breach of compliance policies;

  (b) significant compliance incidents; and

  (c) disciplinary actions taken by authorities;

(4) To maintain sound communication with the senior management, Compliance Officer and Company Secretary of the Company to ensure corporate governance and timely compliance;

(5) To pay attention to the CG Code and recommended best practices of the GEM Listing Rules and review disclosure in the corporate governance report of the Company from time to time; and

(6) To review, monitor and facilitate the training and continuous professional development of the Directors and senior management in relation to corporate governance.

During 2012, the Board discharged its duties by reviewing and monitoring the Company's compliance with the Former CG Code, the CG Code and other legal and regulatory requirements (including developing and adopting the Terms of Reference for Corporate Governance, the Shareholders' Communication Policy and Procedure for a Shareholder to Propose a Person for Election as a Director, etc.), reviewing and updating the AcrossAsia Group Internal Notification Policy and Procedures for notifiable transactions, connected transactions and inside information and the Code of Conduct regarding Securities Transactions by Directors, reviewing, facilitating and monitoring the training and continuous professional development of the Directors and reviewing the disclosures in this Corporate Governance Report.

REMUNERATION COMMITTEE

The Board established the Remuneration Committee which currently comprises two independent non-executive Directors, namely, Mr. Cheok (being the Chairman of the Remuneration Committee) and Dr. Lim. To comply with the new requirements set out in the CG Code, the written terms of reference of the Remuneration Committee were revised in March 2012 and are available on the Company's website and the GEM website.

The primary duties of the Remuneration Committee are, inter alia, to formulate and recommend remuneration policy to the Board, to make recommendations to the Board on remuneration matters of the Directors and the senior management and to administer any share option plan or scheme of the Company. The Remuneration Committee makes recommendations to the Board on the remuneration packages of the executive Director and the senior management.

The Remuneration Committee has met two times during 2012 and the attendance of the members is as follows:

Name of Member	Number of Attendance	Percentage of Attendance
Mr. Cheok *(Chairman of the Remuneration Committee)*	2/2	100%
Dr. Lim	2/2	100%

During 2012, the Remuneration Committee reviewed the fees payable to the Chairman/Directors and Board Committees' Chairmen/members and the relevant matters were considered by the Board and/or administered in accordance with previously signed service agreements, letters of appointment and/or set policies.

NOMINATION COMMITTEE

The Board established the Nomination Committee on 22nd March 2012 with written terms of reference being available on the Company's website and the GEM website. The Nomination Committee currently comprises two independent non-executive Directors, namely, Mr. Cheok (being the Chairman of the Nomination Committee) and Dr. Lim.

The primary duties of the Nomination Committee are, inter alia, to review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, to make recommendations to the Board on nominations, selection, appointment and re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive Officer, and to assess the independence of independent non-executive Directors.

The Nomination Committee has met once during 2012 and the attendance of the members is as follows:

Name of Member	Number of Attendance	Percentage of Attendance
Mr. Cheok *(Chairman of the Nomination Committee)*	1/1	100%
Dr. Lim	1/1	100%

During 2012, the Nomination Committee made recommendations to the Board on selection and appointment of Mr. Ang as the executive Director, Chief Executive Officer, Compliance Officer and Authorised Representative of the Company in accordance with the Nomination Policy and against objective criteria with due regard to his educational background, professional skills, knowledge and experience.

AUDIT COMMITTEE

The Board established 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. To comply with the new requirements set out in the CG Code, the written terms of reference of the Audit Committee were revised in March 2012 and are available on the Company's website and the GEM website. The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. Cheok (being the Chairman of the Audit Committee), Dr. Lim and Mr. Law.

The primary duties of the Audit Committee are, inter alia, to review and monitor the financial reporting and audit matters as well as the financial control, internal control and risk management systems of AcrossAsia Group. The Audit Committee has met 5 times during 2012 and the attendance of the members is as follows:

Name of Member	Number of Attendance	Percentage of Attendance
Mr. Cheok *(Chairman of the Audit Committee)*	5/5	100%
Dr. Lim	5/5	100%
Mr. Law	5/5	100%

During 2012, the Audit Committee discharged its duties by reviewing the financial matters, quarterly, half-year and annual financial reports and financial statements as well as audit matters of AcrossAsia Group, discussing with executive Director, management and the Auditor of the Company, and making recommendations to the Board.

INTERNAL CONTROLS

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

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

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

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

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

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

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

The period of the review of the system of internal controls covers 2012 and the Board is of the view that save as noted below, there is no significant area of concern which may suggest material deficiencies in the effectiveness of AcrossAsia Group's internal control system.

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

PREPARATION OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of AcrossAsia Group for 2012 (the "Financial Statements") and the Auditor of the Company also sets out its reporting responsibilities on the Financial Statements in its Independent Auditor's Report in the Annual Report.

AcrossAsia Group incurred a loss attributable to owners of the Company of approximately HK$90,293,000 for the year ended 31st December 2012 and had net current assets and net assets attributable to owners of the Company of approximately HK$78,016,000 and HK$168,291,000 respectively as at 31st December 2012.

As detailed in the Chairman's Statement, the Independent Auditor's Report, Note 43 to the Financial Statements and the past announcements of the Company, the Hong Kong High Court made, inter alia, an order requiring the Company to make payment into court in Hong Kong of all sums due or accruing due from the Company to First Media under a facility agreement dated 30th June 2011 between the Company and First Media as such sums fell due, to stand as security for the garnishee proceedings in Hong Kong between the Company and Astro Group (the "Hong Kong Security Order"). On the other hand, the Indonesian court issued a bankruptcy order against the Company on 5th March 2013 (the "Indonesian Bankruptcy Order") as a result of First Media's arbitration and court proceedings against the Company in Indonesia to recover the same debt. The Company has filed an appeal against the Indonesian Bankruptcy Order. The Auditor is of the view that the Company may not be able to comply with the Hong Kong Security Order and, on the other hand, may not be able to control its assets in Indonesia due to the Indonesian Bankruptcy Order and that such conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. In view of the extent of the uncertainty relating to the above matters, the Auditor disclaims its opinion in respect of the material uncertainty relating to the going concern basis and does not express an opinion on the Financial Statements.

AUDITOR'S REMUNERATION

The remuneration of the audit services rendered by the Auditor of the Company was mutually agreed in view of the scope of services in the sum of HK$680,000. During 2012, the Auditor of the Company also provided non-audit services in the sum of HK$50,000.

SHAREHOLDERS' RIGHTS

Shareholders to convene extraordinary general meeting and put forward proposals

Pursuant to the Articles, any two or more Shareholders, or any one Shareholder which is a recognised clearing house (or its nominee), holding not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company, shall have the right, by written requisition, to put forward proposals and request for convening of an extraordinary general meeting of the Company ("EGM"). Subject to the Articles, the GEM Listing Rules and other applicable laws and regulations, the procedures for Shareholders to convene and put forward proposals at an EGM are as follows:

(1) All the requisitionist(s) should sign a written requisition stating the objects of the meeting to be convened, and deposit the same at the principal place of business of the Company in Hong Kong.

(2) The requisition will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the requisition is proper and in order, the Company Secretary will ask the Board to convene an EGM by serving sufficient notice to all the registered Shareholders in accordance with the requirements set out in the GEM Listing Rules and the Articles.

(3) In the event that the requisition has been verified as not in order, the requisition(s) will be advised of this outcome and accordingly, an EGM will not be convened as requested.

(4) If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the EGM, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene an EGM in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any EGM so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Shareholders to propose a person for election as a Director

The procedures for Shareholders to propose a person for elections as a Director are set out in (i) the Articles available on the Company's website and the GEM website; and (ii) the guidelines entitled "Procedures for Shareholders to Propose a Person for Election as a Director" on the Company's website.

Shareholders' enquiries to the Board

Shareholders may at any time send their written enquiries about the Company to the Board by addressing to the Company Secretary at the principal place of business of the Company in Hong Kong.

COMMUNICATION WITH SHAREHOLDERS

During 2012, the Board adopted the Shareholders' Communication Policy, aiming at providing the Shareholders with access to information about the Company in order to enable them to exercise their rights and to communicate with the Company.

The general meetings of the Company provide direct and effective channels for communication between the Shareholders and the Board.

The rights of Shareholders and the procedure for demanding a poll on resolutions at general meetings are contained in the Company's Articles. Pursuant to the GEM Listing Rules, any vote of Shareholders at a general meeting must be taken by poll, except where the chairman thereof, in good faith, decides to allow a resolution which relates purely to procedural or administrative matter to be voted on by a show of hands. In addition, an announcement on the poll vote results will be made by the Company following the relevant general meeting.

The Annual General Meeting for 2012 (the "AGM 2012") was held on 8th May 2012. The attendance of the Directors is as follows:

Name of Director	Number of Attendance	Percentage of Attendance
Mr. Cheok	1/1	100%
Dr. Lim	1/1	100%
Mr. Law	1/1	100%

INVESTOR RELATIONS

At the AGM 2012, special resolutions were passed to amend the Memorandum and Articles of Association of the Company (the "M&A") to conform to the GEM Listing Rules, the Companies Law (2011 Revision), Cap. 22 of the Cayman Islands and other applicable laws and regulations and to adopt the amended and restated M&A to consolidate all amendments thereto. The amended and restated M&A are available on the Company's website and the GEM website.

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

PRINCIPAL ACTIVITIES

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

AcrossAsia Group's business segment is set out in Note 7 to the Financial Statements.

CUSTOMERS AND SUPPLIERS

For 2012, the five largest customers of AcrossAsia Group accounted for approximately 7.29% of AcrossAsia Group's total turnover (2011: 2.30%), while the five largest suppliers of AcrossAsia Group accounted for approximately 47.24% (2011: 36.87%) of AcrossAsia Group's total purchases. The largest customer of AcrossAsia Group accounted for 2.48% (2011: 1.08%) of AcrossAsia Group's total turnover while the largest supplier accounted for 13.34%. (2011: 8.82%) of AcrossAsia Group's total purchases.

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

RESULTS AND APPROPRIATIONS

Details of AcrossAsia Group's results for 2012 are set out in the Consolidated Income Statement on page 26 of the Annual Report.

The Directors do not recommend the payment of a final dividend in respect of 2012.

PENSION COSTS

Particulars of pension costs for 2012 are set out in Note 12 to the Financial Statements.

SHARE CAPITAL

Details of share capital are set out in Note 29 to the Financial Statements.

RESERVES

Movements in reserves and accumulated losses of AcrossAsia Group during 2012 are set out in the Consolidated Statement of Changes in Equity on page 30 of the Annual Report.

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

During 2012, there was no purchase, sale or redemption of shares of the Company by the Company or any of its subsidiaries.

PRE-EMPTIVE RIGHTS

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

REPORT OF THE DIRECTORS

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in Note 17 to the Financial Statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment during 2012 are set out in Note 16 to the Financial Statements.

INTEREST-BEARING BORROWINGS, NOTES PAYABLE AND BOND PAYABLE

Particulars of interest-bearing borrowings, notes payable and bond payable as at 31st December 2012 are set out in Notes 33, 34 and 35 respectively to the Financial Statements.

RELATED PARTY TRANSACTIONS

The related party transactions are set out in Note 42 to the Financial Statements.

DIRECTORS

The Directors who held office during 2012 and up to the date of this report were:

Executive Director

Mr. Marshall Wallace COOPER (resigned on 8th May 2012)
Mr. Vicente Binalhay ANG (appointed on 8th May 2012)

Independent non-executive Directors

Mr. Albert Saychuan CHEOK
Dr. Boh Soon LIM
Mr. Thomas Yee Man LAW

In accordance with Article 116 of the Articles, Dr. Lim and Mr. Law will retire by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting. In accordance with Article 99 of the Articles, Mr. Ang will retire and being eligible, offers himself for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

Mr. Ang entered into a service agreement dated 8th May 2012 with the Company for a term of one year from 8th May 2012, which shall be automatically extended upon expiration of the term of the service agreement unless terminated by either party to the service agreement.

The term of office of Mr. Cheok was extended for two years from 22nd February 2012 pursuant to a letter dated 20th February 2012.

The term of office of Dr. Lim was extended for two years from 2nd May 2012 pursuant to a letter dated 22nd March 2012.

The term of office of Mr. Law was extended for two years from 28th May 2012 pursuant to a letter dated 8th May 2012.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in Note 9 to the Financial Statements, no contracts of significance in relation to AcrossAsia Group's business to which the Company or any of its subsidiaries was a party and in which any of the Company's Directors or members of its management had a material interest, whether directly or indirectly, subsisted at the end of 2012 or at any time during 2012.

DISCLOSURE OF INTERESTS IN SECURITIES

Directors and Chief Executive

As at 31st December 2012, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares (in respect of positions held pursuant to equity derivatives) and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as notified to the Company and the Stock Exchange under Rule 5.46 of the GEM Listing Rules or as otherwise required by Rule 23.07 of the GEM Listing Rules were as follows:

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

Mr. Cheok was interested in 1,000,000 shares of the Company (representing approximately 0.02% of the issued share capital thereof).

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

Long Position in Underlying Shares of the Company and Associated Corporations

(i) Physically settled equity derivatives

None of the Directors or the chief executive of the Company were interested in any physically settled equity derivatives of the Company or any of its associated corporations.

(ii) Cash settled and other equity derivatives

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

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

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

Substantial Shareholders

As at 31st December 2012, the interests and short positions of the substantial shareholders of the Company in the shares and underlying shares (in respect of positions held pursuant to equity derivatives) of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long Position in Shares of the Company

Name	Number of shares	Percentage of issued share capital
Grandhill Asia Limited	500,000,000	9.87
Lippo Cayman Limited ("Lippo Cayman")	3,669,576,788	72.45
Lanius Limited ("Lanius")	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

Notes:

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 and Mideast Pacific Strategic Holdings Limited in which Lippo Cayman controlled a 30% interest. 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 Position in Underlying Shares of the Company

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

Short Position in Shares and Underlying Shares of the Company

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

Other Persons

As at 31st December 2012, no other persons had any interests or short positions in the shares or underlying shares (in respect of positions held pursuant to equity derivatives) of the Company according to the registers required to be kept by the Company under the SFO.

SHARE OPTIONS

The share option scheme of the Company adopted on 14th May 2002 (the "2002 Scheme") expired during 2012. Details of the 2002 Scheme were set out in Note 31 to the Financial Statements. No options have been granted, exercised, lapsed, cancelled or re-issued under the 2002 Scheme.

COMPETING INTERESTS

The Lippo Group (a general reference to the companies (including Lippo Cayman) in which Dr. Riady and his family have a direct or indirect interest; the Lippo Group is not a legal entity and does not operate as one; each of the companies in the Lippo Group operates within its own legal, corporate and financial framework) might have had or developed interests in businesses in Hong Kong and other parts in Asia similar to those of AcrossAsia Group during 2012. There was a chance that such businesses might have competed with AcrossAsia Group during 2012.

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

AUDITOR

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

On behalf of the Board
Albert Saychuan CHEOK
Chairman

Hong Kong, 21st March 2013

INDEPENDENT AUDITOR'S REPORT

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

We were engaged to audit the consolidated financial statements of AcrossAsia Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 26 to 80, which comprise the consolidated and Company statements of financial position as at 31st December 2012, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

Basis for disclaimer of opinion

As stated in note 43 to the financial statements, garnishee proceedings have been brought by Astro Group (as defined in note 43 to the financial statements) against the Company in Hong Kong as part of the attempts to enforce certain arbitration awards issued by the Singapore International Arbitration Centre in Singapore against PT First Media Tbk ("First Media"), a 55.1% owned subsidiary of the Company, PT Ayunda Prima Mitra, the then wholly owned subsidiary of First Media, and PT Direct Vision, the then associate of First Media. A garnishee order dated 22nd July 2011 was served on the Company. On 21st March 2012, the Company was ordered by the Hong Kong High Court to make payment into court in Hong Kong of all sums due or accruing due from the Company to First Media in relation to a facility agreement entered into between the Company and First Media on 30th June 2011 (the "Facility Agreement") as such sums fell due, to stand as security for the Hong Kong garnishee proceedings (the "Hong Kong Security Order"). The Company sought to appeal the Hong Kong Security Order but its appeal was dismissed by the Hong Kong Court of Appeal. However, with the sanction of the Hong Kong High Court following directions hearing in September 2012 the deadline for making such payments was indefinitely postponed.

Meanwhile, First Media has brought proceedings against the Company to recover the debt due under the Facility Agreement. On 20th December 2012, First Media filed a petition of obligation for payment of debts with the Central Jakarta District Court against the Company in Indonesia ("PKPU Petition"). On 15th January 2013, administrators (the "Administrators") were appointed by the Indonesian Court under the PKPU Petition proceedings. During the period of the PKPU Petition proceedings, the Company was forbidden without the approval of the Administrators, amongst other things, to take any action regarding asset management, ownership or diversion of assets, or to conduct banking or financial transactions, or conduct any payments.

On 4th February 2013 following an application by Astro Group, the Hong Kong High Court set a new deadline for payment into Court pursuant to the Hong Kong Security Order of 18th February 2013. This deadline was subsequently extended to 7th March 2013. On 6th February 2013, the Hong Kong High Court fixed the amount of that payment at US$46,774,403 (equivalent to approximately HK$362,502,000). The Company has sought leave to appeal the Court order of 4th February 2013 to set a new deadline for payment into Court. This application is still pending.

The Administrators declined to give approval to the Company to comply with the Hong Kong Security Order on the basis that to pay money into the Hong Kong Court would breach the Indonesian bankruptcy law. On 5th March 2013, the Indonesian Court issued a bankruptcy order (the "Indonesian Bankruptcy Order") against the Company as the Company failed to submit a composition plan to the Administrators as it had been effectively prevented from doing so by the Hong Kong Security Order and certain injunction orders issued by the Hong Kong Court.

The Company has filed an appeal against the Indonesian Bankruptcy Order (the "Appeal") and is also seeking directions from the Hong Kong Court under this situation. In view of the above, the Company may not be able to comply with the Hong Kong Security Order and, on the other hand, may not be able to control its assets in Indonesia. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the ultimate outcome of the garnishee proceedings in Hong Kong and the successful outcome of the Appeal in Indonesia. The consolidated financial statements do not include any adjustments that would result from the possible outcome of the garnishee proceedings in Hong Kong and the failure of the Appeal. We consider that the material uncertainty has been adequately disclosed in the consolidated financial statements. However, in view of the extent of the uncertainty relating to the above matters, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

Disclaimer of opinion

Because of the significance of the material uncertainty relating to the going concern basis as described in the basis for disclaimer of opinion paragraphs, we do not express an opinion on the consolidated financial statements. In all other respects, in our opinion, the financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

RSM Nelson Wheeler
Certified Public Accountants
Hong Kong

21st March 2013

CONSOLIDATED INCOME STATEMENT

For the year ended 31st December 2012

	Note	2012 HK$'000	2011 HK$'000
Turnover	5	**1,091,166**	920,648
Cost of services rendered		**(317,775)**	(195,663)
Gross profit		**773,391**	724,985
Other income	6	**40,506**	17,754
Gain on disposal of a subsidiary		**—**	18,411
Net foreign exchange gains		**17,732**	28,492
Selling and distribution costs		**(103,452)**	(77,408)
General and administrative expenses		**(697,243)**	(693,875)
Profit from operations		**30,934**	18,359
Finance costs	8	**(51,989)**	(54,355)
Share of losses of associates	18	**(627)**	—
Loss before tax		**(21,682)**	(35,996)
Income tax expense	11	**(6,387)**	(28,193)
Loss for the year	12	**(28,069)**	(64,189)
Attributable to:			
Owners of the Company	13	**(90,293)**	(80,431)
Non-controlling interests		**62,224**	16,242
		(28,069)	(64,189)
Loss per share	15		
— basic (HK cents)		**(1.78)**	(1.59)
— diluted (HK cents)		**N/A**	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2012

	2012 *HK$'000*	2011 *HK$'000*
Loss for the year	**(28,069)**	(64,189)
Other comprehensive income:		
Exchange differences on translating foreign operations	**(98,864)**	(105,101)
Exchange differences reclassified to income statement on disposal of a subsidiary	**—**	(348)
Other comprehensive income for the year, net of tax	**(98,864)**	(105,449)
Total comprehensive income for the year	**(126,933)**	(169,638)
Attributable to:		
Owners of the Company	**(130,254)**	(120,981)
Non-controlling interests	**3,321**	(48,657)
	(126,933)	(169,638)

STATEMENTS OF FINANCIAL POSITION

As at 31st December 2012

		AcrossAsia Group		Company	
		2012	2011	**2012**	2011
	Note	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Non-current assets					
Property, plant and equipment	*16*	**1,713,449**	1,388,449	**—**	—
Interests in subsidiaries	*17*	**—**	—	**430,849**	430,849
Investments in associates	*18*	**10,202**	—	**—**	—
Available-for-sale financial assets	*19*	**4,119**	4,326	**67**	67
Goodwill	*20*	**3,775**	—	**—**	—
Other intangible assets	*21*	**86,350**	99,778	**—**	—
Deferred tax assets	*22*	**122,587**	30,999	**—**	—
Non-current prepayments, deposits and receivables	*23*	**249,767**	225,908	**475**	354
		2,190,249	1,749,460	**431,391**	431,270
Current assets					
Trade receivables	*24*	**86,093**	85,679	**—**	—
Due from related companies	*25*	**68**	3,587	**68**	323
Financial assets at fair value through profit or loss	*26*	**—**	—	**25,486**	26,790
Prepayments, deposits and other current assets	*27*	**189,762**	289,704	**50,891**	50,031
Bank and cash balances	*28*	**685,364**	691,568	**359**	650
		961,287	1,070,538	**76,804**	77,794
TOTAL ASSETS		**3,151,536**	2,819,998	**508,195**	509,064

STATEMENTS OF FINANCIAL POSITION

As at 31st December 2012

		AcrossAsia Group		Company	
		2012	2011	**2012**	2011
	Note	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Capital and reserves					
Share capital	*29*	**50,646**	50,646	**50,646**	50,646
Reserves	*30*	**117,645**	247,899	**(15,974)**	3,953
Equity attributable to owners of the Company		**168,291**	298,545	**34,672**	54,599
Non-controlling interests		**1,195,655**	1,192,334	**—**	—
Total equity		**1,363,946**	1,490,879	**34,672**	54,599
Non-current liabilities					
Employees' benefits obligations	*32*	**35,044**	24,426	**—**	—
Interest-bearing borrowings	*33*	**165,776**	61,257	**—**	—
Bond payable	*35*	**588,280**	612,210	**—**	—
Finance lease payables	*36*	**91,525**	2,509	**—**	—
Due to a related company	*37*	**23,694**	24,906	**—**	—
		904,319	725,308	**—**	—
Current liabilities					
Interest-bearing borrowings	*33*	**329,108**	246,293	**93,000**	93,600
Notes payable	*34*	**4,034**	4,240	**—**	—
Finance lease payables	*36*	**29,455**	689	**—**	—
Due to a subsidiary	*17*	**—**	—	**369,000**	352,393
Due to a related company	*37*	**4,000**	4,000	**4,000**	4,000
Trade payables	*38*	**271,354**	165,778	**—**	—
Receipts in advance		**10,452**	21,298	**—**	—
Other payables and accruals		**170,031**	118,678	**7,523**	4,472
Current tax payable		**64,837**	42,835	**—**	—
		883,271	603,811	**473,523**	454,465
Total liabilities		**1,787,590**	1,329,119	**473,523**	454,465
TOTAL EQUITY AND LIABILITIES		**3,151,536**	2,819,998	**508,195**	509,064
Net current assets/(liabilities)		**78,016**	466,727	**(396,719)**	(376,671)
Total assets less current liabilities		**2,268,265**	2,216,187	**34,672**	54,599

Albert Saychuan CHEOK
Director

Vicente Binalhay ANG
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2012

	Attributable to owners of the Company						
	Issued capital	Share premium account	Translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1st January 2011	50,646	414,318	2,885	(560,271)	(92,422)	282,340	189,918
Total comprehensive income for the year	—	—	(40,550)	(80,431)	(120,981)	(48,657)	(169,638)
Deemed disposal of subsidiaries	—	—	—	511,948	511,948	958,651	1,470,599
Changes in equity for the year	—	—	(40,550)	431,517	390,967	909,994	1,300,961
At 31st December 2011 and 1st January 2012	50,646	414,318	(37,665)	(128,754)	298,545	1,192,334	1,490,879
Total comprehensive income and changes in equity for the year	—	—	(39,961)	(90,293)	(130,254)	3,321	(126,933)
At 31st December 2012	50,646	414,318	(77,626)	(219,047)	168,291	1,195,655	1,363,946

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st December 2012

	2012	2011
	HK$'000	*HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	**(21,682)**	(35,996)
Adjustments for:		
Share of losses of associates	**627**	—
Finance costs	**51,989**	54,355
Interest income	**(33,985)**	(17,752)
Depreciation	**203,773**	172,393
Amortisation of other intangible assets	**16,266**	15,548
Impairment of property, plant and equipment	**29,372**	—
Impairment of other intangible assets	**4,324**	—
Allowance for receivables	**42,834**	20,594
Bad debts expense	**—**	14,176
(Gain)/loss on disposal of property, plant and equipment	**(6,521)**	101
Gain on disposal of a subsidiary	**—**	(18,411)
Increase in employees' benefits obligations	**12,081**	7,840
Operating profit before working capital changes	**299,078**	212,848
Increase in trade receivables	**(41,372)**	(22,709)
Decrease/(increase) in amounts due from related companies	**3,519**	(3,587)
Decrease/(increase) in prepayments, deposits and other current assets	**76,524**	(338,044)
Increase in trade payables	**105,565**	152,694
(Decrease)/increase in receipts in advance	**(10,846)**	5,348
Decrease in derivative financial instruments	**—**	(509)
Increase in other payables and accruals	**44,114**	20,609
Cash generated from operations	**476,582**	26,650
Income taxes paid	**(77,005)**	(12,469)
Net cash generated from operating activities	**399,577**	14,181

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st December 2012

	2012 *HK$'000*	2011 *HK$'000*
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	**(618,114)**	(563,087)
Purchases of other intangible assets	**(11,811)**	(4,502)
Proceeds from disposal of property, plant and equipment	**113,809**	16,669
Acquisition of a subsidiary *(Note 39(a))*	**822**	(8,614)
Acquisition of associates	**(11,067)**	—
Disposal of a subsidiary	**—**	(958)
Interest received	**33,985**	17,752
Net cash used in investing activities	**(492,376)**	(542,740)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of interest-bearing borrowings and notes payable	**(105,850)**	(1,106,981)
New interest-bearing borrowings and notes payable	**308,814**	362,350
Repayment of capital element of finance lease payables	**(6,610)**	(42,786)
Interest paid	**(45,996)**	(54,355)
Proceeds from issuance of bond instrument	**—**	652,193
Deemed disposal of subsidiaries	**—**	1,470,599
Net cash generated from financing activities	**150,358**	1,281,020
NET INCREASE IN CASH AND CASH EQUIVALENTS	**57,559**	752,461
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**691,568**	67,087
Effect of foreign exchange rate changes	**(63,763)**	(127,980)
CASH AND CASH EQUIVALENTS AT END OF YEAR	**685,364**	691,568
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	**685,364**	691,568

1. ORGANISATION AND OPERATIONS

The Company was incorporated in the Cayman Islands on 6th March 2000 as an exempted company with limited liability under the Companies Law (1998 Revision) of the Cayman Islands. The Company's shares have been listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 13th July 2000. The address of its registered office is the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The address of its principal place of business is Room 4302, 43rd Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong.

The Company is an investment holding company. Its subsidiaries were engaged in the provision of cable TV, broadband Internet and network services. The Company and its subsidiaries are collectively referred to as "AcrossAsia Group".

In the opinion of the Directors, as at 31st December 2012, Cyport Limited, a company incorporated in the British Virgin Islands, is the immediate parent; Lippo Cayman Limited, a company incorporated in the Cayman Islands, is the ultimate parent of the Company.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, AcrossAsia Group has adopted all the new and revised International Financial Reporting Standards ("IFRSs") that are relevant to its operations and effective for its accounting year beginning on 1st January 2012. IFRSs comprise International Financial Reporting Standards; International Accounting Standards; and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to AcrossAsia Group's accounting policies, presentation of AcrossAsia Group's financial statements and amounts reported for the current year and prior years.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation

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

Subsidiaries are consolidated from the date on which control is transferred to AcrossAsia Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated translation reserve.

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

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated income statement and consolidated statement of comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, available-for-sale investment), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

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

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

(c) Associates

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

Interests in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over AcrossAsia Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of AcrossAsia Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Associates (Continued)

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

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) AcrossAsia Group's share of the net assets of that associate plus any remaining goodwill relating to that associate and any related accumulated translation reserve.

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

(d) Foreign currency translation

(i) Functional and presentation currency

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Foreign currency translation (Continued)

(iii) Translation on consolidation

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

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

— income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

— all resulting exchange differences are recognised in the translation reserve.

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

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to AcrossAsia Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Land use rights and buildings	7%
Building renovations and leasehold improvements	25%
Office furniture, fixtures and equipment	20% to 25%
Distribution network	7%
Equipment for rent	14% to 25%
Vehicles	20% to 25%

The depreciation policy of construction in progress is set out in (f) below.

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Property, plant and equipment (Continued)

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

(f) Construction in progress

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

(g) Leases

(i) Operating leases

Leases that do not substantially transfer to AcrossAsia Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

(ii) Finance leases

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

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

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

(h) Intangible assets other than goodwill

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

Wireless broadband licence	10 years
Application software licences	4 years
TV channel brand name	5 years

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Recognition and derecognition of financial instruments

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

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

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

(j) Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets at fair value through profit or loss.

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

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

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

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets not classified as trade and other receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in other comprehensive income, until the investments are disposed of or there is objective evidence that the investments are impaired, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. Interest calculated using the effective interest method is recognised in profit or loss.

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Investments (Continued)

(ii) Available-for-sale financial assets (Continued)

The unlisted securities which do not have a quoted market price in an active market and their fair values cannot be reliably measured are stated at cost less any impairment losses.

(k) Trade and other receivables

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

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

(l) Cash and cash equivalents

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

(m) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRSs. An equity instrument is any contract that evidences a residual interest in the assets of AcrossAsia Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below:

(i) Borrowings

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Financial liabilities and equity instruments (Continued)

(ii) Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(iii) Equity instruments

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

(n) Derivative financial instruments

Derivatives are initially recognised and subsequently measured at fair value.

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

(o) Revenue recognition

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

(i) media sales, when the advertisement is placed in the channel;

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

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

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

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

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

(vii) revenue from data communication services, at the time the connection takes place;

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

AcrossAsia Group contributes to defined contribution retirement schemes which are available to all employees in Indonesia. Contributions to the schemes by AcrossAsia Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by AcrossAsia Group to the funds.

Post-employment benefits are recognised at a discounted amount when an employee has rendered service to AcrossAsia Group during an accounting period. Liabilities and expenses are measured using actuarial techniques which include constructive obligation that arises from AcrossAsia Group's informal practices. In calculating the liabilities, benefits should be discounted by using projected-unit-credit method.

(iii) Termination benefits

Termination benefits are recognised when, and only when, AcrossAsia Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(q) Share-based payments

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

(r) Borrowing costs

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Borrowing costs (Continued)

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

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

(s) Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. AcrossAsia Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where AcrossAsia Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which AcrossAsia Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and AcrossAsia Group intends to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Related parties

A related party is a person or entity that is related to AcrossAsia Group.

(A) A person or a close member of that person's family is related to AcrossAsia Group if that person:

(i) has control or joint control over AcrossAsia Group;

(ii) has significant influence over AcrossAsia Group; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company.

(B) An entity is related to AcrossAsia Group (reporting entity) if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either AcrossAsia Group or an entity related to AcrossAsia Group. If AcrossAsia Group is itself such a plan, the sponsoring employers are also related to AcrossAsia Group.

(vi) The entity is controlled or jointly controlled by a person identified in (A).

(vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(u) Impairment of assets

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Impairment of assets (Continued)

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

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

(v) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when AcrossAsia Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(w) Events after the reporting period

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

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

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

(a) Going concern basis

These financial statements have been prepared on a going concern basis, the validity of which depends upon ultimate outcome of the garnishee and related proceedings. Details are explained in note 43 to the financial statements.

(b) Land and buildings

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

(c) Available-for-sale financial assets

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

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Property, plant and equipment and depreciation

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

(b) Income taxes

AcrossAsia Group is subject to income taxes in Indonesia. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. TURNOVER

	2012	2011
	HK$'000	*HK$'000*
Subscription fees for cable television	**337,712**	233,303
Subscription fees for fast speed broadband Internet	**499,630**	430,442
Data communication services	**117,519**	103,321
Media sales	**60,619**	47,669
Wireless broadband services	**9,680**	7,097
Others	**66,006**	98,816
	1,091,166	920,648

6. OTHER INCOME

	2012	2011
	HK$'000	*HK$'000*
Interest income	**33,985**	17,752
Dividend income from listed investments	**—**	2
Gain on disposal of property, plant and equipment	**6,521**	—
	40,506	17,754

7. SEGMENT INFORMATION

No segment information is presented for the years ended 31st December 2012 and 2011 as AcrossAsia Group only engages in the provision of broadband network services, broadband Internet services and cable television services in Indonesia and all revenue, expenses, results, assets and liabilities and capital expenditures are predominately attributable to this single operating segment.

None of AcrossAsia Group's customers contributed 10% or more of AcrossAsia Group's revenue during the years ended 31st December 2012 and 2011, and accordingly, no major customers information is presented.

8. FINANCE COSTS

	2012	2011
	HK$'000	*HK$'000*
Interest on:		
Bank loans and overdrafts	**21,461**	27,860
Notes payable wholly repayable within five years	**370**	7,256
Other borrowings wholly repayable within five years	**9,604**	17,236
Finance lease charges	**14,561**	2,003
Bond payable	**5,993**	—
	51,989	54,355

9. DIRECTORS' REMUNERATION

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

	Fees		Salaries, allowances and benefits in kind		Total	
	2012	2011	**2012**	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Executive Directors						
Mr. Vicente Binalhay ANG (1)	**10**	—	**372**	—	**382**	—
Mr. Marshall Wallace COOPER (2)	**—**	10	**872**	2,051	**872**	2,061
Independent non-executive Directors						
Mr. Albert Saychuan CHEOK	**540**	260	**—**	—	**540**	260
Dr. Boh Soon LIM	**280**	160	**—**	—	**280**	160
Mr. Thomas Yee Man LAW	**240**	160	**—**	—	**240**	160
	1,070	590	**1,244**	2,051	**2,314**	2,641

Notes:

(1) Appointed on 8th May 2012

(2) Resigned on 8th May 2012

There was no arrangement under which a Director waived or agreed to waive any remuneration during the year ended 31st December 2012 (2011: Nil).

During the year ended 31st December 2012, no remuneration was paid by AcrossAsia Group to any of the Directors as an inducement to join or upon joining AcrossAsia Group or as compensation for loss of office (2011: Nil).

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees in AcrossAsia Group during the year ended 31st December 2011 included a Director whose remuneration is reflected in the analysis presented above. The remuneration of the 5 (2011: the remaining 4) employees are set out below.

	2012	2011
	HK$'000	*HK$'000*
Salaries, allowances and benefits in kind	**11,977**	7,029

10. FIVE HIGHEST PAID EMPLOYEES (Continued)

The remuneration fell within the following bands:

	Number of employees	
	2012	2011
HK$1,000,001 to HK$1,500,000	**1**	2
HK$1,500,001 to HK$2,000,000	**1**	—
HK$2,000,001 to HK$2,500,000	**—**	2
HK$2,500,001 to HK$3,000,000	**2**	—
HK$3,000,001 to HK$3,500,000	**1**	—
	5	4

During the year ended 31st December 2012, no remuneration was paid by AcrossAsia Group to any of the highest paid employees as an inducement to join or upon joining AcrossAsia Group or as compensation for loss of office (2011: Nil).

11. INCOME TAX EXPENSE

	2012	2011
	HK$'000	*HK$'000*
Current tax — Overseas	**101,651**	46,789
Deferred tax *(Note 22)*	**(95,264)**	(18,596)
Income tax expense	**6,387**	28,193

No provision for Hong Kong Profits Tax is required since AcrossAsia Group's income is derived from overseas sources which is not liable to Hong Kong Profits Tax (2011: Nil).

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

The Company's subsidiaries incorporated and operating in Indonesia are subject to Indonesian income tax at a maximum rate of 25% (2011: 25%) of the individual entities' respective assessable profits in accordance with Indonesian income tax law.

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

	2012	2011
	%	%
Indonesian income tax rate	**25**	25
Deferred tax not recognised	**15**	(41)
Non-deductible items	**(69)**	(64)
Non-taxable items	**—**	2
Effective tax rate	**(29)**	(78)

12. LOSS FOR THE YEAR

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

	2012	2011
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**203,773**	172,393
Amortisation of other intangible assets*	**16,266**	15,548
Impairment of property, plant and equipment*	**29,372**	—
Impairment of other intangible assets*	**4,324**	—
Staff costs, including Directors' remuneration:		
Salaries, allowances and benefits in kind	**209,460**	183,732
Retirement benefit scheme contributions (defined contribution schemes)	**161**	350
Provision for employees' benefits	**17,789**	12,309
	227,410	196,391
(Gain)/loss on disposal of property, plant and equipment	**(6,521)**	101
Operating lease charges for land and buildings	**17,494**	58,498
Allowance for receivables	**42,834**	20,594
Bad debts expense	**—**	14,176
Auditors' remuneration		
Company	**680**	630
Its subsidiaries	**743**	561
	1,423	1,191

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

13. LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

The loss for the year attributable to owners of the Company included a loss of approximately HK$19,927,000 (2011: HK$223,162,000) which has been dealt with in the financial statements of the Company.

14. DIVIDENDS

The Directors do not recommend the payment of any dividend.

15. LOSS PER SHARE

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK$90,293,000 (2011: HK$80,431,000) and 5,064,615,385 (2011: 5,064,615,385) ordinary shares in issue during the year.

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary share during the years ended 31st December 2012 and 2011.

16. PROPERTY, PLANT AND EQUIPMENT

AcrossAsia Group

	Land use rights and buildings	Building renovations and leasehold improve-ments	Office furniture, fixtures and equipment	Distribution network	Construction in progress	Equipment for rent	Vehicles	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost								
At 1st January 2011	11,281	23,263	81,572	1,324,734	15,438	215,902	1,544	1,673,734
Acquisition of a subsidiary	—	—	514	—	—	—	—	514
Additions	105,632	2,947	118,372	164,165	127,533	59,928	—	578,577
Disposals	—	—	(6,086)	(10,202)	—	(9,135)	(881)	(26,304)
Reclassification	—	—	59,946	20,197	(4,385)	(76,052)	294	—
Translation differences	(4,481)	(531)	(8,434)	(31,251)	(2,221)	(2,832)	(3)	(49,753)
At 31st December 2011 and 1st January 2012	112,432	25,679	245,884	1,467,643	136,365	187,811	954	2,176,768
Acquisition of a subsidiary	—	—	143	—	—	—	—	143
Additions	4,496	6,552	141,183	353,425	49,458	189,396	899	745,409
Disposals	—	(4)	(111,080)	(3,796)	(14)	(4)	—	(114,898)
Reclassification	—	(2,634)	25,577	3,946	(54,121)	27,232	—	—
Translation differences	(5,573)	(1,339)	(13,204)	(79,459)	(6,528)	(14,066)	(67)	(120,236)
At 31st December 2012	111,355	28,254	288,503	1,741,759	125,160	390,369	1,786	2,687,186
Accumulated depreciation and impairment losses								
At 1st January 2011	6,199	15,135	68,710	434,635	—	117,503	1,270	643,452
Charge for the year	3,341	4,710	29,581	98,699	—	35,934	128	172,393
Disposals	—	—	(166)	(3,051)	—	(5,612)	(705)	(9,534)
Reclassification	—	—	9,590	24,188	—	(33,912)	134	—
Translation differences	(246)	(1,079)	(2,790)	(11,649)	—	(2,226)	(2)	(17,992)
At 31st December 2011 and 1st January 2012	9,294	18,766	104,925	542,822	—	111,687	825	788,319
Charge for the year	6,943	3,675	32,140	110,141	—	50,749	125	203,773
Impairment loss	—	—	16,313	—	—	13,059	—	29,372
Disposals	—	(1,270)	(6,094)	(247)	—	—	—	(7,611)
Reclassification	—	—	2,351	15	—	(2,366)	—	—
Translation differences	(610)	(968)	(6,093)	(25,569)	—	(6,833)	(43)	(40,116)
At 31st December 2012	15,627	20,203	143,542	627,162	—	166,296	907	973,737
Carrying amount								
At 31st December 2012	95,728	8,051	144,961	1,114,597	125,160	224,073	879	1,713,449
At 31st December 2011	103,138	6,913	140,959	924,821	136,365	76,124	129	1,388,449

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

AcrossAsia Group carried out a review of the recoverable amount of its property, plant and equipment in 2012, having regard to the modification of the technology of the wireless broadband services. The review led to the recognition of an impairment loss of approximately HK$29,372,000 in relation to certain technically obsolete equipment, that has been recognised in profit or loss.

At 31st December 2012 the carrying amount of property, plant and equipment held by AcrossAsia Group under finance leases amounted to approximately HK$93,409,000 (2011: HK$5,400,000).

At 31st December 2012 the carrying amount of property, plant and equipment pledged as security for AcrossAsia Group's bank and other loans amounted to approximately HK$340,014,000 (2011: HK$106,406,000).

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

	2012	2011
	HK$'000	*HK$'000*
Medium term leases	**92,719**	99,975
Short term leases	**3,009**	3,163
	95,728	103,138

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

Company	**Office furniture, fixtures and equipment** *HK$'000*
Cost	
At 1st January 2011, 31st December 2011, 1st January 2012 and 31st December 2012	614
Accumulated depreciation	
At 1st January 2011, 31st December 2011, 1st January 2012 and 31st December 2012	614
Carrying amount	
At 31st December 2012	—
At 31st December 2011	—

17. INTERESTS IN SUBSIDIARIES

	Company	
	2012	2011
	HK$'000	*HK$'000*
Listed shares, at cost	**430,849**	430,849
Unlisted shares, at cost	**9,862**	9,862
	440,711	440,711
Due from a subsidiary	**327,899**	349,978
	768,610	790,689
Less: Impairment losses	**(337,761)**	(359,840)
	430,849	430,849
Market value of listed shares	**464,437**	471,917

The amount due from a subsidiary is unsecured, interest-free and has no fixed terms of repayment but repayment is not expected to be within the next twelve months from the end of the reporting period.

The amount due to a subsidiary, PT First Media Tbk ("First Media"), is unsecured, interest bearing at the prevailing LIBOR plus 4.75% per annum and due for settlement on 30th June 2012. First Media has commenced arbitration and litigation proceedings against the Company to recover the principal amount of US$44,000,000 with interest totalling US$47,612,929 (equivalent to HK$369,000,000). Details of the arbitration and litigation proceedings are set out in Note 43 to the financial statements.

17. INTERESTS IN SUBSIDIARIES (Continued)

Particulars of the principal subsidiaries as at 31st December 2012 are as follows:

Name	Place of incorporation and operations	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company				Principal activities
			2012		2011		
			Direct	Indirect	Direct	Indirect	
First Media (a)	Indonesia	Rp870,948,489,000	55.1	—	55.1	—	Operation of broadband network and cable television
PT AsiaNet Multimedia	Indonesia	US$1,333,333	95.0	—	95.0	—	Investment holding
PT Natrindo Global Telekomunikasi	Indonesia	Rp25,000,000,000	—	76.0	—	76.0	Inactive
PT Inti Mitratama Abadi	Indonesia	Rp60,000,000,000	—	50.7	—	50.7	Investment holding
PT Link Net ("Link Net")	Indonesia	Rp304,264,938,400	—	36.4	—	36.4	Provider of fixed local packet-switched based network and Internet service provider
PT Tirta Mandiri Sejahtera	Indonesia	Rp5,000,000	—	76.0	—	76.0	Investment holding
PT First Media News	Indonesia	Rp7,500,000,000	—	55.1	—	55.1	Investment holding and film and video recording
PT First Media Production	Indonesia	Rp7,500,000,000	—	55.1	—	55.1	Film and video recording
PT First Media Television	Indonesia	Rp3,125,000,000	—	44.1	—	44.1	Subscription broadcasting
PT Jaring Data Interaktif	Indonesia	Rp35,000,000,000	—	55.1	—	55.1	Multimedia contents production
PT Media Sinema Indonesia ("MSI") (Note 39(a))	Indonesia	Rp3,714,122,000	—	55.1	—	—	Film and video recording

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

Notes:

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

(b) None of the subsidiaries had any loan capital in issue at any time during the year ended 31st December 2012 (2011: Nil).

18. INVESTMENTS IN ASSOCIATES

	AcrossAsia Group	
	2012	2011
	HK$'000	*HK$'000*
Unlisted investments outside Hong Kong:		
Share of net assets	**7,025**	—
Goodwill	**3,177**	—
	10,202	—

Details of AcrossAsia Group's associates at 31 December 2012 are as follows:

Name	Place of incorporation and operations	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
PT Delta Nusantara Networks	Indonesia	Rp300,000,000	—	27.5%	Internet services
PT Bina Mahasiswa Indonesia	Indonesia	Rp2,500,000,000	—	24.8%	Not yet commenced business
PT Indonesia Media Televisi	Indonesia	Rp42,500,000,000	—	7.3%	Satellite television channels

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

	2012	2011
	HK$'000	*HK$'000*
At 31 December		
Total assets	**32,942**	—
Total liabilities	**(635)**	—
Net assets	**32,307**	—
AcrossAsia Group's share of associates' net assets	**7,025**	—
Year ended 31 December		
Total revenue	**346**	—
Total profit for the year	**(3,453)**	—
AcrossAsia Group's share of associates' profit for the year	**(627)**	—

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	AcrossAsia Group		Company	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Equity securities, at fair value				
Listed outside Hong Kong	**67**	67	**67**	67
Unlisted equity securities, at cost	**12,473**	13,111	**—**	—
Less: Impairment losses	**(8,421)**	(8,852)	**—**	—
	4,052	4,259	**—**	—
	4,119	4,326	**67**	67

20. GOODWILL

	AcrossAsia Group	
	2012	2011
	HK$'000	*HK$'000*
Cost and carrying amount		
Arising on acquisition of a subsidiary (note 39(a))	**3,968**	—
Translation differences	**(193)**	—
At 31 December	**3,775**	—

21. OTHER INTANGIBLE ASSETS

AcrossAsia Group

	TV channel brand name	Wireless broadband licence	Application software licences	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Cost				
At 1st January 2011	—	110,794	8,428	119,222
Acquisition of a subsidiary	7,536	—	—	7,536
Additions	—	—	4,502	4,502
Translation differences	(133)	(1,963)	(235)	(2,331)
At 31st December 2011 and 1st January 2012	7,403	108,831	12,695	128,929
Additions	—	—	11,811	11,811
Translation differences	(360)	(5,295)	(881)	(6,536)
At 31st December 2012	7,043	103,536	23,625	134,204
Accumulated amortisation and impairment				
At 1st January 2011	—	12,403	2,086	14,489
Amortisation for the year	1,543	11,343	2,662	15,548
Translation differences	(62)	(679)	(145)	(886)
At 31st December 2011 and 1st January 2012	1,481	23,067	4,603	29,151
Amortisation for the year	1,441	10,595	4,230	16,266
Impairment loss	4,324	—	—	4,324
Translation differences	(203)	(1,363)	(321)	(1,887)
At 31st December 2012	7,043	32,299	8,512	47,854
Carrying amount				
At 31st December 2012	—	71,237	15,113	86,350
At 31st December 2011	5,922	85,764	8,092	99,778

The remaining amortisation period of the wireless broadband licence is 6.9 (2011: 7.9) years. The weighted average remaining amortisation period of the application software licences is 2.8 (2011: 2.7) years.

AcrossAsia Group carried out a review of the recoverable amount of its TV channel brand name in 2012, having regard to the rebranding of its TV channel. The review led to the recognition of an impairment loss of approximately HK$4,324,000 that has been recognised in profit or loss.

22. DEFERRED INCOME TAX

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

	Decelerated tax depreciation	Allowance for receivables	Tax losses	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1st January 2011	8,892	1,086	—	2,092	12,070
Credit/(charge) to profit or loss for the year *(Note 11)*	864	4,493	17,823	(4,584)	18,596
Acquisition of a subsidiary	—	—	—	1,324	1,324
Translation differences	(193)	(201)	(722)	125	(991)
At 31st December 2011 and 1st January 2012	9,563	5,378	17,101	(1,043)	30,999
Credit to profit or loss for the year *(Note 11)*	3,053	11,444	75,876	4,891	95,264
Translation differences	(536)	(522)	(2,558)	(60)	(3,676)
At 31st December 2012	12,080	16,300	90,419	3,788	122,587

Deferred tax assets that are expected to realise in the next accounting year amounted to Nil (2011: HK$3,173,000).

23. NON-CURRENT PREPAYMENTS, DEPOSITS AND RECEIVABLES

	AcrossAsia Group		Company	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Rental and other deposits	**13,070**	10,747	**—**	—
Prepaid rental for communication system	**119,499**	135,273	**—**	—
Advance payments for acquisition of property, plant and equipment	**106,579**	78,693	**—**	—
Loans to employees	**208**	319	**—**	—
Prepaid expenses and others	**10,411**	876	**475**	354
	249,767	225,908	**475**	354

The loans to employees are unsecured and interest-free.

24. TRADE RECEIVABLES

AcrossAsia Group's trading terms with its customers are mainly on credit. AcrossAsia Group allows an average general credit period of 60 days to its customers, except for certain well-established customers, where the terms are extended beyond 60 days.

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

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

	AcrossAsia Group	
	2012	2011
	HK$'000	*HK$'000*
Within 1 month	**37,813**	53,000
1 to 2 months	**15,194**	14,981
2 to 3 months	**8,357**	9,917
Over 3 months	**24,729**	7,781
	86,093	85,679

As at 31st December 2012, an allowance was made for estimated irrecoverable trade receivables of approximately HK$52,303,000 (2011: HK$22,187,000).

Reconciliation of allowance for trade receivables is as follows:

	AcrossAsia Group	
	2012	2011
	HK$'000	*HK$'000*
At 1st January	**22,187**	4,191
Allowance for the year	**42,834**	20,594
Amounts written off	**(10,912)**	(1,761)
Translation differences	**(1,806)**	(837)
At 31st December	**52,303**	22,187

At 31st December 2012, trade receivables of approximately HK$33,086,000 (2011: HK$17,698,000) were past due but not impaired. These related to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	AcrossAsia Group	
	2012	2011
	HK$'000	*HK$'000*
2 to 3 months	**8,357**	9,917
Over 3 months	**24,729**	7,781
	33,086	17,698

24. TRADE RECEIVABLES (Continued)

The carrying amounts of AcrossAsia Group's trade receivables are denominated in the following currencies:

	2012	2011
	HK$'000	*HK$'000*
Indonesian Rupiah	**81,473**	76,371
United States dollars	**4,620**	9,308
	86,093	85,679

At 31st December 2012, trade receivables of AcrossAsia Group included receivables from certain related companies, which are directly or indirectly owned, controlled or influenced by the principal beneficial shareholder of the Company, totalling approximately HK$3,758,000 (2011: HK$2,167,000). These balances are unsecured, interest-free and are repayable principally in accordance with normal trading terms.

At 31st December 2012, trade receivables of approximately HK$86,093,000 (2011: HK$63,568,000) were pledged to banks to secure interest-bearing borrowings as set out in note 33 to the financial statements.

25. DUE FROM RELATED COMPANIES

The amounts due from related companies of AcrossAsia Group and the Company are unsecured, interest-free and have no fixed terms of repayment.

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

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Company	
	2012	2011
	HK$'000	*HK$'000*
Listed warrants of a subsidiary, at fair value	**25,486**	26,790

27. PREPAYMENTS, DEPOSITS AND OTHER CURRENT ASSETS

	AcrossAsia Group		Company	
	2012	2011	2012	2011
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Deposits	**—**	31	**—**	31
Prepaid operating expenses	**22,913**	111,029	**891**	—
Prepaid taxes	**115,041**	127,707	**—**	—
Other receivables	**51,808**	50,937	**50,000**	50,000
	189,762	289,704	**50,891**	50,031

Other receivables of AcrossAsia Group and the Company include an amount due from an independent third party of approximately HK$50,000,000 (2011: HK$50,000,000) which is unsecured, interest-free and repayable within one year.

28. BANK AND CASH BALANCES

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

At 31st December 2012, the bank and cash balances of AcrossAsia Group denominated in Indonesian Rupiah amounted to approximately HK$683,999,000 (2011: HK$688,390,000).

29. SHARE CAPITAL

	2012 ***HK$'000***	2011 *HK$'000*
Authorised:		
1,500,000,000,000 ordinary shares of HK$0.01 each	**15,000,000**	15,000,000
Issued and fully paid:		
5,064,615,385 ordinary shares of HK$0.01 each	**50,646**	50,646

AcrossAsia Group's objectives when managing capital are to safeguard AcrossAsia Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

AcrossAsia Group review the capital structure frequently by considering the cost of capital and the risks associated with each class of capital. AcrossAsia Group will balance its overall capital structure through new share issues, the issue of new debts, redemption of existing debts or selling assets to reduce debts.

The only externally imposed capital requirement is that for AcrossAsia Group to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares. AcrossAsia Group receives reports from the share registrars on substantial share interests showing the non-public float and it demonstrated continuing compliance with the 25% limit throughout the year.

30. RESERVES

(a) AcrossAsia Group

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

(b) Company

	Share premium account	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1st January 2011	414,318	(187,203)	227,115
Loss for the year	—	(223,162)	(223,162)
At 31st December 2011 and 1st January 2012	414,318	(410,365)	3,953
Loss for the year	—	(19,927)	(19,927)
At 31st December 2012	414,318	(430,292)	(15,974)

(c) Nature and purpose of reserves

(i) Share premium account

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

(ii) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 3(d) to the financial statements.

31. SHARE OPTION SCHEME

On 14th May 2002, the Company adopted a share option scheme (the "2002 Scheme") under which the participants (including the Directors) were or may be granted options to subscribe for shares of the Company subject to the terms and conditions stipulated in the scheme.

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

The 2002 Scheme expired on 13th May 2012. No options had been granted under the 2002 Scheme since the adoption date.

32. EMPLOYEES' BENEFITS OBLIGATIONS

	AcrossAsia Group	
	2012	2011
	HK$'000	*HK$'000*
At beginning of year	**24,426**	17,209
Addition provision	**17,789**	12,309
Provision used	**(5,708)**	(4,469)
Translation differences	**(1,463)**	(623)
At end of year	**35,044**	24,426

Provision for employees' benefits was recognised in accordance with the requirements of the Labor Law in Indonesia for employment termination, gratuity and compensation benefits of employees. The provision was determined based on actuarial calculations as at 31st December 2012 prepared by an independent actuary, adopting the projected-unit-credit method.

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

	AcrossAsia Group	
	2012	2011
	HK$'000	*HK$'000*
Present value of funded obligations	**56,333**	40,197
Net unrecognised actuarial losses	**(21,216)**	(15,682)
Unrecognised past service cost	**(73)**	(89)
	35,044	24,426

Expense recognised in profit or loss is as follows:

	AcrossAsia Group	
	2012	2011
	HK$'000	*HK$'000*
Current service cost	**13,334**	8,815
Interest cost	**3,450**	2,702
Net actuarial losses recognised	**1,005**	792
	17,789	12,309

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

The principal actuarial assumptions adopted as at 31st December 2012 (expressed as weighted average) are as follows:

	AcrossAsia Group	
	2012	2011
Discount rate at 31st December	**6%**	6.8%
Expected rate of return on plan assets	**N/A**	N/A
Future salary increases	**9.0%–10.0%**	9.0%
Future pension increases	**N/A**	N/A

33. INTEREST-BEARING BORROWINGS

	AcrossAsia Group		Company	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Bank loans:				
Secured	**260,589**	150,252	**—**	—
Unsecured	**102,676**	93,600	**93,000**	93,600
	363,265	243,852	**93,000**	93,600
Other borrowings:				
Secured	**41,118**	—	**—**	—
Unsecured	**90,501**	63,698	**—**	—
	131,619	63,698	**—**	
	494,884	307,550	**93,000**	93,600

Interest-bearing borrowings are repayable as follows:

	AcrossAsia Group		Company	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Bank loans:				
Within one year	**197,489**	182,595	**93,000**	93,600
In the second year	**14,570**	21,190	**—**	—
In the third to fifth years, inclusive	**151,206**	40,067	**—**	—
	363,265	243,852	**93,000**	93,600
Other borrowings:				
Within one year	**131,619**	63,698	**—**	—
	494,884	307,550	**93,000**	93,600
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(329,108)**	(246,293)	**(93,000)**	(93,600)
Amount due for settlement after 12 months	**165,776**	61,257	**—**	—

33. INTEREST-BEARING BORROWINGS (Continued)

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

	AcrossAsia Group		Company	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Bank loans:				
United States dollar	**118,972**	132,003	**93,000**	93,600
Indonesian Rupiah	**244,293**	111,849	**—**	—
	363,265	243,852	**93,000**	93,600
Other borrowings:				
United States dollar	**6,337**	5,793	**—**	—
Indonesian Rupiah	**125,282**	57,905	**—**	—
	131,619	63,698	**—**	—

The effective interest rates were as follows:

	AcrossAsia Group		Company	
	2012	2011	**2012**	2011
Bank loans:				
United States dollar	**1.26%–5%**	0.95%–5%	**1.26%**	0.95%
Indonesian Rupiah	**11%–13%**	11%–13%	**—**	—
Other borrowings:				
United States dollar	**4.5%**	5%	**—**	—
Indonesian Rupiah	**13.25%–14.5%**	13.75%–14.25%	**—**	—

34. NOTES PAYABLE

Notes payable of AcrossAsia Group is unsecured, denominated in Indonesian Rupiah, arranged at fixed interest rate of 12% (2011: 12%) per annum and repayable within one year.

35. BOND PAYABLE

	AcrossAsia Group	
	2012	2011
	HK$'000	*HK$'000*
At beginning of year	**612,210**	—
Proceeds from issuance of bond instrument	**—**	652,193
Interest charged	**5,993**	—
Translation differences	**(29,923)**	(39,983)
At end of year	**588,280**	612,210

On 27th June 2011, First Media issued a 5-year bond instrument of Rp722,310,112,156 (equivalent to approximately HK$652,193,000) to a non-controlling shareholder of Link Net. The bond payable is secured by the shares of Link Net and interest bearing at 1% per annum.

36. FINANCE LEASE PAYABLES

AcrossAsia Group

	Minimum lease payments		Present value of minimum lease payments	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Within one year	**39,863**	825	**29,455**	689
In the second to fifth years, inclusive	**119,487**	3,002	**91,525**	2,509
	159,350	3,827	**120,980**	3,198
Less: Future finance charges	**(38,370)**	(629)		
Present value of lease obligations	**120,980**	3,198		
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(29,455)**	(689)		
Amount due for settlement after 12 months	**91,525**	2,509		

The average lease term is 4 years (2011: 3 years). At 31st December 2012, the average effective borrowing rate is 14.5% (2011: 15%). Interest rates are fixed at the contract dates and thus expose AcrossAsia Group to fair value interest rate risk.

All finance lease payables are denominated in Indonesian Rupiah.

37. DUE TO RELATED COMPANIES

The amounts due to related companies of AcrossAsia Group are unsecured, interest-free and have no fixed terms of repayment but repayment is not expected to be within the next twelve months from the end of the reporting period except for an amount of approximately HK$4,000,000 (2011: HK$4,000,000) which bears interest at Hong Kong dollar prime leading rate plus 1% per annum and is repayable within twelve months from the end of the reporting period.

The amount due to a related company of the Company is unsecured, bears interest at Hong Kong dollar prime leading rate plus 1% per annum and is repayable within twelve months from the end of the reporting period.

38. TRADE PAYABLES

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

	AcrossAsia Group	
	2012	2011
	HK$'000	*HK$'000*
Within 1 month	**106,769**	58,545
1 to 2 months	**44,409**	12,620
2 to 3 months	**13,419**	2,850
Over 3 months	**106,757**	91,763
	271,354	165,778

The carrying amounts of AcrossAsia Group's trade payables are denominated in the following currencies:

	2012	2011
	HK$'000	*HK$'000*
Indonesian Rupiah	**147,270**	66,549
United States dollars	**124,084**	99,229
	271,354	165,778

At 31st December 2012, trade payables of AcrossAsia Group included payables to certain related companies, which are directly or indirectly owned, controlled or influenced by the principal beneficial shareholder of the Company, totalling approximately HK$85,146,000 (2011: HK$71,884,000). These balances are unsecured, interest-free and are repayable principally in accordance with normal trading terms.

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Acquisition of a subsidiary

On 2nd February 2012, AcrossAsia Group acquired 99.97% of the issued share capital of MSI for a cash consideration of approximately HK$42,000. MSI was engaged in film and video recording.

The fair value of the identifiable assets and liabilities of MSI acquired as at its date of acquisition is as follows:

	HK$'000
Net liabilities acquired:	
Property, plant and equipment	143
Trade receivables	1,876
Prepayments, deposits and other receivables	441
Bank and cash balances	864
Trade payables	(11)
Other payables and accruals	(7,239)
	(3,926)
Goodwill	3,968
Satisfied by cash	42
Net cash inflow arising on acquisition:	
Cash consideration paid	(42)
Cash and cash equivalents acquired	864
	822

The goodwill arising on the acquisition of MSI is attributable to the anticipated future operating synergies from the combination.

MSI contributed approximately HK$365,000 and HK$2,254,000 to AcrossAsia Group's turnover and profit for the year respectively for the period between the date of acquisition and the end of the reporting period.

If the acquisition had been completed on 1st January 2012, total AcrossAsia Group turnover for the year would have been approximately HK$1,091,166,000, and loss for the year would have been approximately HK$27,904,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the turnover and results of operations of AcrossAsia Group that actually would have been achieved had the acquisition been completed on 1st January 2012, nor is intended to be a projection of future results.

(b) Major non-cash transactions

During the year ended 31st December 2012, additions to property, plant and equipment of approximately HK$127,295,000 (2011: HK$15,490,000) were financed by finance leases.

40. FINANCIAL INSTRUMENTS

Fair value estimation

Current financial assets and liabilities

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

Non-current financial assets and financial liabilities

For available-for-sale financial assets in listed shares of approximately HK$67,000 (2011: HK$67,000) which are stated at quoted market price, their carrying amounts approximate their fair values. For long term investments in unlisted shares of approximately HK$4,052,000 (2011: HK$4,259,000), whose fair value cannot be reliably measured without incurring excessive costs, they are carried at cost less any impairment losses. The Directors believe that the carrying amount of those investments represents AcrossAsia Group's best estimate of their fair value.

Except as stated above, the carrying amounts of AcrossAsia Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

40. FINANCIAL INSTRUMENTS (Continued)

Interest rate risk

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

	Within one year	In the second year	In the third to fifth years, inclusive	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
As at 31st December 2012				
Fixed rate				
Bank and cash balances	**621,937**	**—**	**—**	**621,937**
Bank loans	**104,489**	**14,570**	**151,206**	**270,265**
Other borrowings	**47,455**	**—**	**—**	**47,455**
Notes payable	**4,034**	**—**	**—**	**4,034**
Bond payable	**—**	**—**	**588,280**	**588,280**
Finance lease payables	**29,455**	**36,329**	**55,196**	**120,980**
Floating rate				
Bank and cash balances	**63,071**	**—**	**—**	**63,071**
Bank loans	**93,000**	**—**	**—**	**93,000**
Other borrowings	**84,164**	**—**	**—**	**84,164**
Due to a related company	**4,000**	**—**	**—**	**4,000**
As at 31st December 2011				
Fixed rate				
Bank and cash balances	639,549	—	—	639,549
Bank loans	88,995	21,190	40,067	150,252
Other borrowings	5,793	—	—	5,793
Notes payable	4,240	—	—	4,240
Bond payable	—	—	612,210	612,210
Finance lease payables	689	1,152	1,357	3,198
Floating rate				
Bank and cash balances	51,605	—	—	51,605
Bank loans	93,600	—	—	93,600
Other borrowings	57,905	—	—	57,905
Due to a related company	4,000	—	—	4,000

40. FINANCIAL INSTRUMENTS (Continued)

Interest rate risk (Continued)

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

Categories of financial instruments at 31st December 2012

	AcrossAsia Group	
	2012	2011
	HK$'000	*HK$'000*
Financial assets:		
Loans and receivables (including cash and cash equivalents)	**836,612**	842,867
Available-for-sale financial assets	**4,119**	4,326
Financial liabilities:		
Financial liabilities at amortised cost	**1,003,041**	652,776

Fair values

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

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

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

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

Disclosures of level in fair value hierarchy at 31st December 2012:

	Fair value measurement using:			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Available-for-sale financial assets				
Equity investments	**67**	**—**	**—**	**67**

Disclosures of level in fair value hierarchy at 31st December 2011:

	Fair value measurement using:			
Description	Level 1	Level 2	Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Available-for-sale financial assets				
Equity investments	67	—	—	67

41. FINANCIAL RISK MANAGEMENT

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

(a) Credit risk

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

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

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

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

(b) Foreign currency risk

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

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

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

At 31st December 2012, if Indonesian Rupiah had weakened/strengthened 10% against the United States dollar with all other variables held constant, consolidated loss after tax for the year would have been approximately HK$13,671,000 (2011: HK$10,230,000) higher/lower, arising mainly as a result of the foreign exchange loss/gain on borrowings denominated in the United States dollar.

41. FINANCIAL RISK MANAGEMENT (Continued)

(b) Foreign currency risk (Continued)

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

(c) Interest rate risk

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

AcrossAsia Group's policy is to manage its interest cost using a mixture of fixed and variable rate borrowings. At 31st December 2012, approximately 85% (2011: 84%) of AcrossAsia Group's interest-bearing borrowings were arranged at fixed rates.

Further details of interest rate risk of AcrossAsia Group are set out in Note 40 to the financial statements.

At 31st December 2012, if interest rates at that date had been 100 basis points lower/higher with all other variables held constant, consolidated loss after tax for the year would have been HK$1,329,000 (2011: HK$1,136,000) lower/higher, arising mainly as a result of lower/higher interest expense on bank and other borrowings.

(d) Liquidity risk

AcrossAsia Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank and other borrowings, promissory notes, finance lease payables, other payables and balances with related companies. AcrossAsia Group's total borrowings of approximately HK$165,776,000 (2011: HK$61,257,000) at the end of the reporting period will mature in more than one year. Due to the dynamic nature of underlying business, AcrossAsia Group aims at maintaining flexibility in funding by keeping committed credit lines available.

41. FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity risk (Continued)

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

	Within one year	In the second year	In the third to fifth years, inclusive	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
As at 31st December 2012				
Bank loans	**209,805**	**15,779**	**237,926**	**463,510**
Other borrowings	**149,228**	**—**	**—**	**149,228**
Notes payable	**4,518**	**—**	**—**	**4,518**
Finance lease payables	**39,863**	**47,851**	**71,636**	**159,350**
Due to related companies	**4,240**	**—**	**23,694**	**27,934**
Trade payables	**271,354**	**—**	**—**	**271,354**
As at 31st December 2011				
Bank loans	194,164	26,581	49,297	270,042
Other borrowings	72,094	—	—	72,094
Notes payable	4,749	—	—	4,749
Finance lease payables	825	1,331	1,671	3,827
Due to related companies	4,240	—	24,906	29,146
Trade payables	165,778	—	—	165,778

42. RELATED PARTY TRANSACTIONS

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

	AcrossAsia Group	
	2012	2011
	HK$'000	*HK$'000*
Data communication services:		
— PT Visionet International	**1,611**	1,037
— PT Matahari Putra Prima Tbk	**665**	1,970
Purchases of equipment:		
— PT Multipolar Technology	**118,117**	201,871
Interest paid		
— PT Ciptadana Multifinance	**8,049**	603

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

43. GARNISHEE AND RELATED PROCEEDINGS

Singapore Arbitration Awards

As stated in the consolidated financial statements of the Company for the year ended 31st December 2009, 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 Limited (formerly known as Astro All Asia Networks PLC), (vii) Measat Broadcast Network Systems SDN BHD and (viii) All Asia Multimedia Networks FZ-LLC (hereinafter collectively referred to as "Astro Group") filed a Notice of Arbitration against PT Ayunda Prima Mitra and First Media, both being 55.1% owned subsidiaries of the Company, and PT Direct Vision, the then associate of the Company, under the rules of Singapore International Arbitration Centre ("SIAC") in Singapore.

SIAC issued several awards in 2009 and 2010 ruling in favour of Astro Group. Based on legal opinions obtained from First Media's Indonesian lawyer dated 10th March 2011 and 29th February 2012, 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.

Hong Kong Garnishee Order to Show Cause

In July 2011, a garnishee order to show cause dated 22nd July 2011 (the "Garnishee Order to Show Cause") was served on the Company (as garnishee) ordering that all sums due or accruing due from the Company to First Media (being a judgment debtor) be attached to answer a Hong Kong High Court judgment dated 9th December 2010 against First Media by Astro Group (the judgment creditors) for certain judgment sums (the "Hong Kong Judgment"), and that the Company attended before the Hong Kong High Court on 17th August 2011 relating to the application by Astro Group that the Company shall pay to Astro Group all debt due or accruing due from the Company to First Media, or so much thereof as may be sufficient to satisfy the judgment debt owed by First Media to Astro Group, together with the costs of the garnishee proceedings. At the directions hearing on 17th August 2011 (which was attended by the Company and Astro Group), the Hong Kong High Court ordered, amongst other things, that the application by Astro Group be adjourned for argument. The adjourned substantive hearing is now fixed to be heard on 9th to 13th September 2013. Further, following on from the directions hearing on 11th March 2013, the Hong Kong High Court has directed that a further directions hearing be fixed on a date after 13th May 2013 at which directions in respect of the substantive hearing in September 2013 will be determined.

For the sake of completeness, it is noted that First Media has made applications to the Hong Kong High Court on 18th January 2012, amongst other things, to set aside the Hong Kong Judgment and discharge the Garnishee Order to Show Cause, and Astro Group has made an application to stay all further Hong Kong proceedings and to require the Company to pay any amounts due or accruing due from the Company to First Media as they fall due into court in Hong Kong pending the determination of proceedings in Singapore pursuant to which First Media seeks to challenge judgments obtained by Astro Group against it. On 15th March 2012, the Hong Kong High Court ordered a stay of the Hong Kong proceedings pending the determination of proceedings in Singapore.

43. GARNISHEE AND RELATED PROCEEDINGS (Continued)

Hong Kong Garnishee Order to Show Cause (Continued)

On 21st March 2012, by way of an application by Astro Group, the Hong Kong High Court ordered the Company to pay all sums due and payable to First Media into court in Hong Kong, as they become due and payable, pending the outcome of the proceedings in Singapore (the "First Instance Payment Into Court Order"). The Company subsequently successfully obtained from the Hong Kong High Court a stay of the First Instance Payment Into Court Order and leave to appeal to such decision. The appeal hearing in the Court of Appeal was heard on 3rd August 2012. The judgment of the Court of Appeal was handed down on 10th August 2012 and the Company's appeal was dismissed. The Court of Appeal ordered the parties to reach agreement as to when the payment of the amounts due or accruing due from the Company to First Media should be paid into court. In the absence of such agreement, the matter is to be referred to the Court of First Instance judge for determination of the date (the "Court of Appeal Payment Into Court Order").

On 7th September 2012, the Company filed and served a notice of motion (the "Notice of Motion") for leave to appeal to the Court of Final Appeal and, if leave is granted, for stay pending the determination of the Court of Final Appeal. The Notice of Motion was originally fixed to be heard on 31st October 2012. By an order dated 8th October 2012, the Court of Appeal adjourned the hearing of the Notice of Motion *sine die* with liberty to restore.

After Astro Group and the Company failed to agree on a timetable for payment of all amounts due or accruing from the Company to First Media into court as ordered by the Court of Appeal, the parties appeared before the Court of First Instance for a directions hearing on 17th September 2012 to fix a timetable for payment into court. At the hearing on 17th September 2012, the Court of First Instance did not fix a timetable for payment into court and ordered, amongst other things, that the Company do take out a summons (the "Discharge of Payment In Order Application") for a discharge of the order that the Company do pay all sums due and payable, or as they become due and payable, to First Media into court in Hong Kong pending the final determination of the applications in Singapore. The Court of First Instance further ordered that the Discharge of Paying In Order Application be heard on 27th September 2012.

Accordingly, on 24th September 2012, the Company made applications to the Hong Kong High Court by way of 2 summonses, amongst other things, that (a) the stay in respect of the garnishee proceedings be lifted and the Garnishee Order to Show Cause be discharged; and (b) the First Instance Payment Into Court Order be discharged and set aside (the "Two Summonses dated 24th September 2012").

At the hearing on 27th September 2012, the Court of First Instance made an order, amongst other things, that (a) the stay in respect of the garnishee proceedings be lifted; and (b) the Company's Two Summonses dated 24th September 2012 and the Garnishee Order to Show Cause be adjourned to an early date to be fixed but not earlier than 31st March 2013 for argument with an estimated time of 5 days. As mentioned above, the substantive hearing is now fixed to be heard on 9th to 13th September 2013.

On 24th January 2013, by way of an *ex parte* on notice hearing of a summons dated 24th January 2013 filed by Astro Group, the Hong Kong High Court has made the following orders against the Company (as amended by the Hong Kong High Court on 4th February 2013): (a) an order that pending the final determination of the Garnishee Order to Show Cause and the Company's two Summonses dated 24th September 2012 or further order, the judgment debtors (including First Media) and the Company be restrained themselves individually or by way of any joint action from doing, or causing or permitting the doing of, any act in Indonesia or otherwise which has the purported effect of the discharge (in whole or in part, including any set-off or compromise) of the garnished debt or any act to dispose of, deal with or diminish the value of the garnisheed debt or otherwise interfere with or the affect equitable charge created by the Garnishee Order to Show Cause; and (b) an order that pending the final determination of the Garnishee Order to Show Cause and the Company's Two Summonses dated 24th September 2012, the judgment debtors (including First Media) and the Company themselves individually or by way of any joint action from taking further steps before the Indonesian Court in the Indonesian proceedings, save with leave of the Hong Kong High Court (the "Hong Kong Injunction Orders").

43. GARNISHEE AND RELATED PROCEEDINGS (Continued)

Hong Kong Garnishee Order to Show Cause (Continued)

Further, by way of various applications made by Astro Group, at the hearings on 4th and 6th February 2013, the Hong Kong High Court ordered the Company to make payment into court in Hong Kong in the amount of HK$362,501,623.25 (equivalent to US$46,774,403) by way of security for the Hong Kong Garnishee proceedings by 18th February 2013, which was extended to 7th March 2013 by the order of the Hong Kong High Court dated 21st February 2013 (the "Hong Kong Security Order"). On 6th February 2013, the Hong Kong High Court further ordered Astro Group to give an undertaking as to damages in favour of the Company in respect of the Hong Kong Injunction Orders.

On 15th February 2013, the Company has applied to seek directions from the Hong Kong High Court as to how it should proceed in respect of the Hong Kong Security Order. Further, out of an abundance of caution, on 18th February 2013, the Company has applied to the Hong Kong High Court for leave to appeal the Hong Kong Security Order and the Hong Kong Injunction Orders on 21st February 2013.

At the directions hearing on 11th March 2013, the Hong Kong High Court ordered that the Company's applications for leave to appeal against the Hong Kong Security Order and the Hong Kong Injunction Orders have been adjourned to a date to be fixed.

As previously disclosed in the Company's Third Quarterly Report 2012, based on a legal opinion obtained from the Company's Hong Kong lawyer, the Directors of the Company are of the opinion that there is a reasonable prospect of resisting the garnishee proceedings in Hong Kong.

Indonesian BANI Arbitration Award and Indonesian Bankruptcy Order

Notwithstanding the ongoing garnishee proceedings in Hong Kong, on 30th August 2012, First Media commenced arbitration proceedings against the Company at the Indonesian National Board of Arbitration ("BANI") to recover the principal loan sum of US$44 million together with interest from the Company pursuant to the terms and conditions of the Facility Agreement dated 30th June 2011 made between First Media as the lender and the Company as the borrower. On 12th September 2012, the arbitral tribunal of BANI made an arbitration award against the Company requiring the Company (amongst other things) to pay a total sum of US$46,774,403 to First Media in Indonesia by 27th October 2012 at the latest (the "BANI Arbitration Award"). The BANI Arbitration Award further stated that the award is a final award and binding on both parties.

On 26th September 2012, the Indonesian Court issued an order allowing enforcement of the Indonesian Arbitration Award.

By an appeal letter dated 16th October 2012, the Company informed the Indonesian Court that the Company is unable to make payment of the sum of US$46,774,403 to First Media in Indonesia as the Company is bound by the Garnishee Order to Show Cause in Hong Kong. The Company appealed to stay the enforcement proceedings pursuant to the BANI Arbitration Award against the Company or alternatively for an order that the Company makes the payment into the Indonesian Court pending the final determination of the Garnishee Order to Show Cause by the Hong Kong High Court.

43. GARNISHEE AND RELATED PROCEEDINGS (Continued)

Indonesian BANI Arbitration Award and Indonesian Bankruptcy Order (Continued)

Notwithstanding various submissions made by the Company to resist the petition of obligation for payment of debts dated 20th December 2012 (registered on 26th December 2012 with the Central Jakarta District Court/Commercial Court vide Case Number: 64/PKPU/2012/PN.Niaga.Jkt.Pst) filed by First Media in relation to enforcement of the BANI Arbitration Award obtained by First Media against the Company in Indonesia ("the PKPU Petition"), on 15th January 2013, the Indonesian Court delivered its judgment as follows:(a) granting the PKPU Petition filed by First Media against the Company; (b) stipulating temporary suspension of obligation for payment for the Company of 45 days from the date of the decision; (c) appointing Bagus Irawan, SH. MH, Commercial Judge at the Commercial Court of the Indonesian Court as the supervisory judge; (d) nominating and appointing Ms. Lili Badrawati, SH, Mr. Irfan Aghasar, SH and Ms. Widia Gustiwardini, SH as the administrators in the process of PKPU Petition of the Company; (e) stipulating that the hearing of the deliberations of the panel of judges has been set to be held on 28th February 2013 at the Indonesian Court; (f) ordering the administrators to summon First Media, the Company and known creditors by a registered letter in order to appear at the hearing mentioned above; (g) stipulating the cost for administration and the fee for administrators shall be determined after the PKPU Petition has been completed; and (h) deferring cost for the PKPU Petition until the PKPU Petition is declared to have been completed.

On 21st February 2013, the Hong Kong High Court has granted leave to the Company (notwithstanding the Hong Kong Injunction Orders) to seek an extension of 270 days of the suspension of payment to creditors in the PKPU Petition proceedings. Pursuant to the Hong Kong High Court order dated 21st February 2013, the Company by a letter dated 21st February 2013 requested the administrators to make an application to the Indonesian Court for an extension of 270 days of the suspension of payment to creditors in the PKPU Petition proceedings. In addition, the Company through its Indonesian lawyers submitted letters dated 26th and 28th February 2013 to the panel of judges requesting for the said extension.

The PKPU Petition proceedings came up for deliberation hearing before the panel of judges of the Indonesian Court on 28th February 2013. At the hearing the Company informed the panel of judges that the Company had been given leave by the Hong Kong High Court to apply for extension of 270 days of the suspension of payment to creditors in the PKPU Petition proceedings. The panel of judges of the Indonesian Court after hearing submissions from the Company and from the administrators adjourned their decision to 5th March 2013 to enable the administrators, the creditor (First Media) and the Company to resolve the matter failing which the panel of judges will make their decision based on the recommendation of the administrators. First Media was not present and did not object to the Company's request for the said extension of 270 days of the suspension of payment to creditors.

On 5th March 2013, the Indonesian Court made a bankruptcy order against the Company (the "Indonesian Bankruptcy Order") as the Company has failed to submit a composition plan to the administrators. The Company was unable to submit the composition plan as the Company had effectively been prevented from doing so by the Hong Kong Security Order and the Hong Kong Injunction Orders. Further, the Indonesian Court appointed the Company's administrators as the receivers and curators of the Company.

The Company has filed a Petition for Cassation/Appeal against the Indonesian Bankruptcy Order. The Company's Indonesian lawyer is of the opinion that the Company has raised good grounds for the Petition for Cassation/Appeal based on Indonesian bankruptcy law.

43. GARNISHEE AND RELATED PROCEEDINGS (Continued)

Indonesian BANI Arbitration Award and Indonesian Bankruptcy Order (Continued)

Based on legal opinions obtained from the Company's Hong Kong lawyer and Indonesian lawyer, the Directors of the Company are of the opinion that there is a reasonable prospect of resisting the garnishee proceedings in Hong Kong and of cassation/appeal against the Indonesian Bankruptcy Order. As a result, no provision has been made in the consolidated financial statements of AcrossAsia Group for the year ended 31st December 2012.

Further, the Company has been advised by the Company's Cayman Islands and Hong Kong lawyers that as no winding up order has been made in the Cayman Islands (the Company's place of Incorporation) or Hong Kong where the Company is listed and where it maintains its principal place of business, the Company's board of directors continues to have authority to act for the Company outside Indonesia as a matter of Hong Kong and Cayman Islands laws.

44. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 21st March 2013.

AcrossAsia Limited