

ACROSS ASIA LIMITED

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

Half-year Report 2014

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This 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 report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

HALF-YEAR REPORT 2014

For the six months ended 30th June 2014

HIGHLIGHTS

- AcrossAsia Group's financial and operational results improved substantially during the first six months of 2014.
- AcrossAsia Group's turnover increased by 22.0% to HK\$777.7 million compared to HK\$637.4 million for the same period in 2013, mainly contributed by the increase in demand for broadband Internet, data communication and cable TV services and income from leasing of its wireless network equipment.
- Internet and cable TV subscribers increased by 10.4% in the first six months of 2014 and cable coverage has now surpassed 1,300,000 homes.
- AcrossAsia Group's gross profit increased by 36.9% to HK\$614.2 million from HK\$448.7 million and its gross margin increased to 79.0% from 70.4% for the same period in 2013, mainly attributable to increased revenue and better cost management.
- AcrossAsia Group recorded a profit from operations of HK\$167.5 million compared to HK\$5.6 million for the same period in 2013.
- However, overall, AcrossAsia Group recorded a reduced loss attributable to the owners of the Company of HK\$11.5 million compared to HK\$78.0 million for the same period of 2013.
- The successful initial public offering of and sale of shares in PT Link Net generated over HK\$800 million in consideration which is reflected as over HK\$190 million increase in equity attributable to owners of the Company. This has substantially improved AcrossAsia Group's financial position resulting to an equity attributable to owners of the Company of over HK\$119 million as at 30th June 2014.
- Notwithstanding the substantially improved financial and operational performance, the AcrossAsia Group continues to be burdened by the fluctuations in the exchange rate of Indonesian Rupiah and high legal costs arising from its ongoing litigations in Hong Kong and Indonesia.

HALF-YEAR RESULTS (UNAUDITED)

The Directors of AcrossAsia Limited (the "Company") announce the unaudited condensed consolidated financial statements (the "Financial Statements") of the Company and its subsidiaries (collectively "AcrossAsia Group") for the six months ended 30th June 2014 (the "Half-year period") together with comparative figures for the corresponding period ended 30th June 2013 as follows:

Condensed Consolidated Statement of Profit or Loss of AcrossAsia Group

	Note	Six months ended 30th June		Three months ended 30th June	
		2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000
Turnover	3	777,698	637,351	396,399	320,301
Cost of services rendered		(163,486)	(188,610)	(86,099)	(87,811)
Gross profit		614,212	448,741	310,300	232,490
Interest income		6,035	13,853	3,487	5,673
Other (expenses)/income		(17)	230	44	230
Net foreign exchange gains/(losses)		4,326	(448)	(13,825)	718
Selling and distribution expenses		(50,267)	(55,815)	(21,410)	(28,848)
General and administrative expenses		(406,819)	(400,931)	(216,767)	(197,171)
Profit from operations	4	167,470	5,630	61,829	13,092
Finance costs		(37,637)	(38,669)	(18,607)	(20,336)
Share of results of associates		(9,827)	(52)	(5,203)	(78)
Profit/(loss) before tax		120,006	(33,091)	38,019	(7,322)
Income tax expense	5	(62,437)	(13,606)	(28,406)	(631)
Profit/(loss) for the period		57,569	(46,697)	9,613	(7,953)
(Loss)/profit attributable to:					
Owners of the Company	6	(11,511)	(78,042)	(15,034)	(29,992)
Non-controlling interests		69,080	31,345	24,647	22,039
		57,569	(46,697)	9,613	(7,953)
Loss per share attributable to owners of the Company					
Basic (HK cents)	6	(0.23)	(1.54)	(0.30)	(0.59)
Diluted (HK cents)	6	N/A	N/A	N/A	N/A

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income of AcrossAsia Group

	Six months ended 30th June		Three months ended 30th June	
	2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000
Profit/(loss) for the period	57,569	(46,697)	9,613	(7,953)
Other comprehensive income:				
<i>Item that may be reclassified to profit or loss</i>				
Exchange differences on translating foreign operations	(4,214)	(56,272)	(88,678)	(38,450)
Total comprehensive income for the period	53,355	(102,969)	(79,065)	(46,403)
Total comprehensive income attributable to:				
Owners of the Company	(12,365)	(93,949)	(32,221)	(41,517)
Non-controlling interests	65,720	(9,020)	(46,844)	(4,886)
	53,355	(102,969)	(79,065)	(46,403)

Condensed Consolidated Statement of Financial Position of AcrossAsia Group

		(Unaudited) As at 30th June 2014 HK\$'000	(Audited) As at 31st December 2013 HK\$'000
	<i>Note</i>		
Non-current assets			
Property, plant and equipment	7	1,935,887	1,791,850
Investments in associates		12,657	11,723
Available-for-sale financial assets		3,313	3,258
Goodwill		1,369	—
Other intangible assets		73,103	73,186
Deferred tax assets		144,505	139,638
Non-current prepayments, deposits and receivables		163,054	167,359
		2,333,888	2,187,014
Current assets			
Trade receivables	8	396,499	383,056
Due from related companies		2	2
Prepayments, deposits and other current assets		88,138	153,686
Bank and cash balances		405,526	250,886
		890,165	787,630
TOTAL ASSETS		3,224,053	2,974,644
SHAREHOLDERS' EQUITY			
Share capital		50,646	50,646
Reserves		68,670	(111,165)
Equity attributable to owners of the Company		119,316	(60,519)
Non-controlling interests		1,657,695	987,303
Total equity		1,777,011	926,784
Non-current liabilities			
Employees' benefits obligations		49,528	43,177
Interest-bearing borrowings		142,568	166,900
Bond payable		—	467,946
Finance lease payables		20,804	81,226
Due to a related company		18,981	18,662
		231,881	777,911
Current liabilities			
Interest-bearing borrowings		404,626	397,928
Notes payable		3,231	3,177
Finance lease payables		9,358	33,906
Due to a related company		4,000	4,000
Trade payables	9	198,148	243,086
Receipts in advance		252,945	299,061
Other payables and accruals		322,211	279,654
Current tax payable		20,642	9,137
		1,215,161	1,269,949
Total Liabilities		1,447,042	2,047,860
TOTAL EQUITY AND LIABILITIES		3,224,053	2,974,644
Net current liabilities		(324,996)	(482,319)
Total assets less current liabilities		2,008,892	1,704,695

Condensed Consolidated Statement of Changes in Equity of AcrossAsia Group

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Issued capital	Share premium	Translation reserve	Accumulated losses	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st January 2013	50,646	414,318	(77,626)	(219,047)	168,291	1,195,655	1,363,946
Effects of changes in accounting policies (Note 2)	—	—	380	(9,122)	(8,742)	(12,547)	(21,289)
At 1st January 2013, as restated	50,646	414,318	(77,246)	(228,169)	159,549	1,183,108	1,342,657
Total comprehensive income and changes in equity for the period	—	—	(15,907)	(78,042)	(93,949)	(9,020)	(102,969)
At 30th June 2013	50,646	414,318	(93,153)	(306,211)	65,600	1,174,088	1,239,688
At 1st January 2014	50,646	414,318	(144,775)	(380,708)	(60,519)	987,303	926,784
Total comprehensive income and changes in equity for the period	—	—	(854)	(11,511)	(12,365)	65,720	53,355
Changes in non-controlling interests without change in control (Note 10)	—	—	—	192,200	192,200	614,125	806,325
Dividend declared and paid to non-controlling shareholders of subsidiary	—	—	—	—	—	(9,453)	(9,453)
At 30th June 2014	50,646	414,318	(145,629)	(200,019)	119,316	1,657,695	1,777,011

Condensed Consolidated Statement of Cash Flows of AcrossAsia Group

	Six months ended 30th June	
	2014 HK\$'000	2013 HK\$'000
Net cash inflow/(outflow) from operating activities	272,162	(22,842)
Net cash inflow/(outflow) from investing activities	2,555	(404,589)
Net cash (outflow)/inflow from financing activities	(121,315)	88,962
Net increase/(decrease) in cash and cash equivalents	153,402	(338,469)
Cash and cash equivalents, beginning of period	250,886	685,364
Effect of foreign exchange rate changes	1,238	(17,952)
Cash and cash equivalents, end of period	405,526	328,943
Analysis of balances of cash and cash equivalents		
Bank and cash balances	405,526	328,943

Notes:

1. Basis of preparation and accounting policies

The interim financial statements are unaudited, condensed and have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting and the applicable disclosures required by the GEM Listing Rules. They should be read in conjunction with the Annual Report 2013 of the Company (the "Annual Report").

The accounting policies and basis of preparation adopted in the preparation of the Financial Statements are consistent with those used in the Annual Report.

The audit committee has reviewed the Financial Statements.

The Financial Statements have been prepared on a consolidated and going concern basis.

(a) Consolidation of PT First Media Tbk ("First Media")

As disclosed in the Annual Report and Note 14, First Media, a 55.1% owned subsidiary of the Company, brought proceedings against the Company in Indonesia to recover the debt due under a facility agreement. On 5th March 2013, the Indonesian Court issued a bankruptcy order (the "Indonesian Bankruptcy Order") against the Company. On the same date, the Indonesian Court appointed the Company's administrators as the receivers (the "Receivers") and curators.

Whilst the Directors recognise that the appointment of the Receivers may have resulted in an apparent loss of control over First Media, the Directors emphasize that until the due legal process in Indonesia has fully run its course, the powers of the Receivers are unlikely to be enforced.

The Directors have been advised by the Company's Indonesian lawyer that, despite the appointment of the Receivers, the Company is still the registered owner of 55.1% shares in First Media and therefore is still the parent company and First Media remains a subsidiary of the Company. Even after the Receivers were appointed, the Directors have been given full access to the books and records of First Media for the purposes of preparation of these Financial Statements. In addition, in the financial statements of First Media for this Half-year period, First Media regards AcrossAsia as its parent company and thus the relationship remains unchanged.

The Directors believe that only a consolidated basis of financial reporting will represent a true picture to shareholders of their investment in First Media through their shareholdings in the Company.

In view of the above, the Directors believe that it would still be appropriate to continue to prepare these Financial Statements on a consolidated basis pending final determination of all litigations in Hong Kong and Indonesia.

(b) Going concern basis

The accumulated losses of AcrossAsia Group has reduced from HK\$306,211,000 as at 30th June 2013 to HK\$200,019,000 as at 30th June 2014. As disclosed in the Annual Report and Note 14, the Company is still involved in litigations concerning garnishee proceedings in Hong Kong and the Indonesian Bankruptcy Order.

As noted above, the financial position of AcrossAsia Group has improved substantially. The Financial Statements have been prepared on a going concern basis, the validity of which depends upon the continued support of AcrossAsia Group's bankers and the outcome of the litigations. The Directors are confident that banking facilities will be renewed and available, and as disclosed in the Annual Report and Note 14, based on legal opinions obtained from the Company's Hong Kong lawyer and Indonesian lawyer respectively, there is a good prospect of success in appealing against the garnishee proceedings in Hong Kong and the Indonesian Bankruptcy Order.

2. Adoption of new and revised International Financial Reporting Standards

In the current period, 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 2014. IFRSs comprise International Financial Reporting Standards, International Accounting Standards (“IAS”) 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 period and prior years.

In addition there are new IFRSs that have been issued but are not yet effective. AcrossAsia Group has not applied these new IFRSs. However, 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.

As disclosed in the Annual Report, AcrossAsia Group has adopted and applied IAS 19 (as revised in 2011) retrospectively for the year ended 31st December 2013, which results in the following changes to the following audited balances as at 1st January 2013:

	<i>HK\$'000</i>
Increase in accumulated losses	(9,122)
Decrease in translation reserve	380
Decrease in non-controlling interests	(12,547)

The Directors are of the opinion that, due to the immaterial effect on these Financial Statements, no adjustment to the comparative Half-year results for 2013 would be made.

With respect to the application of IFRS 10 “Consolidated Financial Statements”, the Annual Report provides a full explanation, including the Directors’ view of the matter.

3. Turnover and segment information

	Six months ended 30th June		Three months ended 30th June	
	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Subscription fees for cable television	247,757	199,040	129,784	101,230
Subscription fees for fast speed broadband Internet	302,509	292,482	155,408	150,053
Data communication	63,124	66,820	27,907	33,811
Media sales	31,664	39,553	17,896	22,417
Others	132,644	39,456	65,404	12,790
	777,698	637,351	396,399	320,301

No segment information is presented for the Half-year period and the corresponding period in 2013 as AcrossAsia Group principally engages in the single operating segment of 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.

Revenue of approximately HK\$97,939,000 (2013: Nil), representing approximately 12.6% (2013: Nil) of total revenue, was mainly derived from the leasing of wireless network equipment to a single customer.

4. Profit from operations

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

	Six months ended 30th June		Three months ended 30th June	
	2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000
Depreciation	139,462	127,622	72,050	70,107
Amortisation of intangible assets	9,217	8,522	4,680	4,586
Bad debt expense/ provision for doubtful debts	12,794	11,611	6,713	6,117
Net loss/(gain) on disposal of plant and equipment	484	(230)	4	(230)
Impairment loss on property, plant and equipment	—	3,861	—	3,880

5. Income tax expense

	Six months ended 30th June		Three months ended 30th June	
	2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000
Current tax — overseas	64,986	61,085	32,111	30,067
Deferred tax benefit	(2,549)	(47,479)	(3,705)	(29,436)
	62,437	13,606	28,406	631

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 (2013: Nil).

Taxes charged 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% of the individual entities' respective assessable profits in accordance with Indonesian income tax law.

6. Loss per share

The calculation of basic loss per share attributable to the owners of the Company is based on the reduced loss attributable to the owners of the Company for the Half-year period of HK\$11,511,000 (2013: HK\$78,042,000) and 5,064,615,385 ordinary shares in issue for the Half-year period and the corresponding period in 2013.

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary shares for the Half-year period and the corresponding period in 2013.

7. Property, plant and equipment

During the Half-year period, AcrossAsia Group spent approximately HK\$311,461,000 (2013: HK\$628,754,000) on acquisition of property, plant and equipment and disposed of property, plant and equipment at net book value of HK\$80,732,000 (2013: HK\$118,214,000).

8. Trade receivables

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

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

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

	As at 30th June 2014 HK\$'000	As at 31st December 2013 HK\$'000
1 to 30 days	33,683	24,871
31 to 60 days	19,482	14,863
61 to 90 days	9,712	327,555
More than 90 days	333,622	15,767
	396,499	383,056

As at 30th June 2014, the trade receivables of AcrossAsia Group included receivables from certain related companies of HK\$1,969,000 (as at 31st December 2013: HK\$1,317,000). The balances were unsecured, interest-free and are repayable principally in accordance with normal trading terms.

9. Trade payables

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

	As at 30th June 2014 HK\$'000	As at 31st December 2013 HK\$'000
1 to 30 days	43,342	90,089
31 to 60 days	16,950	10,824
61 to 90 days	11,734	8,914
More than 90 days	126,122	133,259
	198,148	243,086

As at 30th June 2014, the trade payables of AcrossAsia Group included payables to certain related companies of HK\$63,463,000 (as at 31st December 2013: HK\$97,202,000). The balances were unsecured, interest-free and are repayable principally in accordance with normal trading terms.

10. Changes in non-controlling interests without change in control

During the Half-year period, First Media completed the initial public offering of its 304,265,000 shares in PT Link Net ("Link Net"), representing 10% of Link Net's issued share capital. Trading of the Link Net shares commenced on the Indonesia Stock Exchange on 2nd June 2014.

On the same date, the non-controlling shareholder of Link Net exercised its option pursuant to the Option Agreement referred to in the Company's announcement dated 18th April 2011, for the purchase of 458,248,814 shares in Link Net, representing approximately 15.06% of Link Net's issued share capital.

Link Net is a provider of fixed local packet-switched based network and Internet service provider in Indonesia.

Following completion of the above transactions, First Media's shareholding in Link Net was reduced from approximately 66.06% to approximately 41% and AcrossAsia Group's effective interest in Link Net was reduced from approximately 36.4% to approximately 22.6%. Despite the changes in shareholding, Link Net remains a subsidiary of First Media and accordingly, the financial statements of Link Net continue to be consolidated into the financial statements of AcrossAsia Group.

The above transactions generated over HK\$800 million consideration in total. As a result, AcrossAsia Group recognised an increase in non-controlling interest of over HK\$610 million and a decrease in accumulated losses of over HK\$190 million.

11. Capital commitments

The Company had no capital commitments as at 30th June 2014 and 31st December 2013.

12. Material changes

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

13. Comparative Figures

Certain comparative figures have been reclassified to conform to the Half-year period's presentation.

14. Litigation

The Company does not have any specific update in relation to the legal proceedings in which it is directly involved. The Company sets out below the relevant announcements made previously for shareholders' reference.

Hong Kong Garnishee Order to Show Cause

Reference is made to the Company's announcement of 25th June 2014, whereby the Company announced that the Court of Appeal dismissed the application by Astro All Asia Networks Plc and its affiliated companies (the "Astro Group") for leave to appeal against the order of the Honourable Madam Justice Chan dated 24th January 2014 granting an unconditional stay of execution of the garnishee order absolute dated 31st October 2013 pending determination of the application by PT First Media Tbk ("First Media") to set aside the judgment dated 9th December 2010 ("First Media's Setting Aside Application"). The Judgment dated 9th December 2010 ("Astro's Judgment") was entered by the Astro Group against First Media in Hong Kong to enforce 5 Singapore arbitration awards ("Astro's enforcement proceedings"). The Court of Appeal in dismissing the Astro Group's application for leave to appeal, further ordered that the Astro Group may not apply for an oral hearing to reconsider the application for leave to appeal and costs were assessed summarily at HK\$100,000 payable by the Astro Group to the Company.

The Court of Appeal expressed its view in its decision that "it will indeed be remarkable if, despite the Singapore Court of Appeal judgment on the invalidity of arbitration awards, Astro will still be able to enforce a judgment here based on the same arbitration awards that were made without jurisdiction". This accords with the Company's view that First Media's Setting Aside Application has good prospects of success. In the event First Media's Setting Aside Application is successful, Astro's Judgment and Astro's enforcement proceedings shall be set aside.

Appeal against Indonesian Bankruptcy Order

Reference is made to the Company's first quarterly report 2014. The Company has still yet to receive an official notice of dismissal of the Company's appeal to the Supreme Court of Indonesia (the "Appeal") against the Indonesian bankruptcy order made against the Company on 5th March 2013 (the "Indonesian Bankruptcy Order"). The Company's Indonesian lawyer has advised that the Company is entitled to make a final appeal (which can only be made after the receipt of an official notice of dismissal from the Supreme Court of Indonesia) by way of a petition for judicial review against the decision of the Supreme Court of Indonesia of 31st July 2013 (the "Judicial Review").

As stated in the Company's first quarterly report 2014, based on a legal opinion obtained from the Company's Indonesian lawyer, the Directors of the Company are of the opinion that there are good grounds for the Judicial Review against the Indonesian Bankruptcy Order to be successful. If the Company's Judicial Review is successful, the Indonesian Bankruptcy Order will be set aside.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Half-year period (2013: Nil).

FINANCIAL REVIEW

AcrossAsia Group's results for the Half-year period were analysed as follows:

Turnover

AcrossAsia Group's turnover increased by 22.0% to HK\$777.7 million compared to HK\$637.4 million for the same period in 2013 mainly contributed by the increase in demand for broadband Internet and data communication services by HK\$6.3 million in aggregate to HK\$365.6 million compared to HK\$359.3 million in the same period in 2013 and cable TV services by HK\$48.8 million in aggregate to HK\$247.8 million compared to HK\$199.0 million in the same period in 2013 as well as HK\$97.9 million income generated from leasing of its wireless network equipment during this period.

Gross Profit

AcrossAsia Group's gross profit increased by 36.9% to HK\$614.2 million from HK\$448.7 million and its gross profit margin increased to 79.0% from 70.4% for the same period in 2013 mainly attributable to increased revenue and better cost management.

Profit from Operations

AcrossAsia Group recorded a profit from operations of HK\$167.5 million compared to HK\$5.6 million for the same period in 2013. Total operating expenses (excluding other income and expenses) slightly increased to HK\$457.1 million from HK\$456.7 million for the same period in 2013.

Loss attributable to Owners

AcrossAsia Group recorded a reduced loss attributable to the owners of the Company of HK\$11.5 million compared to HK\$78.0 million for the same period in 2013.

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 its growth momentum. 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.

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 which has allowed for higher subscription rates to be charged. Packages offered currently range from 30 Mbps to 100 Mbps with minimum subscription fees raised to Rp2,035,000 per month. With 100 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 ready access to high-end customer segments. First Media Group also takes care of kids' Internet needs by providing innovative and content-protected FastNet KIDS packages.

HomeCable now offers a total of 121 SD (standard definition) channels of local and international TV plus 58 HD (high definition) channels covering news, education, movies, lifestyle, entertainment, sports and music channels. Packages offered include HomeCable Ultimate HD and attractive selection packs/add-ons with minimum subscription fees at Rp369,000 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. DataComm uses "Metro Ethernet technology" as the network backbone to allow corporate customers simple and flexible connectivity. Through its DataComm business, First Media Group remains the market leader of high capacity and high speed data communications solutions with its use of cutting-edge technology in the 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.

First Media Group continues to focus on improving its services and customer satisfaction in order to grow its customer base as well as expanding its infrastructure to cover untapped areas. The results have been continued growth of its customer base, and the strengthening of the dominance of its major Triple-play megamedia services. The First Media Group has implemented marketing campaign to promote its expanding service offerings.

First Media Group's second-phase network coverage expansion is underway. During the first half of 2014, it has added over 118,000 home pass to its HFC network. By 30th June 2014, HFC Network passed more than 1,300,000 homes. This HFC network covers major residential and central business districts in Greater Metropolitan Jakarta and other prime cities in Indonesia such as Surabaya and Bali. As at 30th June 2014, the number of cable TV subscribers and broadband Internet subscribers continued their increase trend reaching over 356,000 and over 357,000 respectively. First Media Group is rolling out its new high speed 4G service to cope with rising demand for mobile data service driven by affluence of smartphones and tablet devices. The network already covers the prominent areas of Jabodetabek (Jakarta, Bogor, Depok, Tangerang and Bekasi) and Bandung.

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

Indonesia's economic growth during the Half-year period is mainly due to strong domestic consumption and foreign and domestic investment. This positive trend is expected to continue through 2014 with Indonesia expected to lead Southeast Asian countries in GDP growth. Investor confidence and the financial markets have reacted well to the results of the recent presidential election on 22nd July 2014 with the announcement of Joko Widodo as the newly elected president of Indonesia. The substantial expansion and enhancement of AcrossAsia Group's broadband Internet, cable TV and the 4G service networks and services in the first Half-year of 2014 will facilitate higher penetration rates and further growth of its customer base.

FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Half-year period, AcrossAsia Group financed its operations, acquired property, plant and equipment, purchased financial and intangible assets and repaid loans and debts with its internal resources, interest-bearing borrowings and approximately HK\$328.6 million from the initial public offering of shares in Link Net. It utilised an aggregate amount of HK\$514.1 million for the above activities but still retained cash and cash equivalents of HK\$405.5 million as at 30th June 2014. It had current assets of HK\$890.2 million as at 30th June 2014. Mainly as a result of repayment of bond payable on sale of shares in Link Net to a non-controlling shareholder, total loans and debts including interest-bearing borrowings, notes payable, finance lease payables and bond payable decreased by HK\$570.5 million to HK\$580.6 million as at 30th June 2014 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 less than 5 years. Certain loans and debts were secured by the pledge of the AcrossAsia Group's trade receivables and property, plant and equipment.

During the Half-year period, AcrossAsia Group implemented and is continuing to implement the following management plan to further improve its financial position: restructuring of current borrowings to long-term loans; enhancement of operational efficiency; procurement of long-term debt/equity financing; extension of the penetration of the cable TV and other 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 4.9 times as at 30th June 2014 compared to 17.0 times as at 30th June 2013 (before prior year adjustments).

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

EMPLOYEES

As at 30th June 2014, AcrossAsia Group had approximately 1,200 employees. For the Half-year period, the staff costs (including Directors' emoluments) were approximately HK\$110.4 million. The remuneration, promotion and salary review of the employees are assessed based on job responsibilities, work performance, professional experiences and prevailing industry practices. Benefits include incentive bonus and training schemes.

DISCLOSURE OF INTERESTS IN SECURITIES

Directors and Chief Executive

As at 30th June 2014, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares (in respect of positions held pursuant to equity derivatives) and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as notified to the Company and the Stock Exchange under Rule 5.46 of the GEM Listing Rules or as otherwise required by Rule 23.07 of the GEM Listing Rules were as follows:

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

Mr. Albert Saychuan CHEOK ("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 30th June 2014, 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%
Cyport Limited	3,169,094,788	62.57%
Lippo Cayman Limited ("Lippo Cayman")	3,669,576,788	72.46%
Dr. Mochtar RIADY ("Dr. Riady")	3,669,576,788	72.46%
Madam Lidya SURYAWATY ("Madam Suryawaty")	3,669,576,788	72.46%

Notes:

- Lippo Cayman is the wholly-owned subsidiary of Lanius Limited. Lanius Limited is the trustee of a discretionary trust, which was founded by Dr. Riady who does not have any interest in the shares of Lanius Limited. The beneficiaries of the trust include his family members of Dr. Riady. Dr. Riady and his wife, Madam Suryawaty, are taken to be interested in the Shares that Lanius Limited is interested under the provisions of the SFO.*
- Lippo Cayman holds in aggregate 3,669,576,788 Shares, representing approximately 72.46% issued share capital of the Company, through its wholly-owned subsidiaries.*
- Cyport Limited has direct beneficial interest in 2,669,094,788 Shares.*

Long Position in Underlying Shares of the Company

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

Short Position in Shares and Underlying Shares of the Company

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

Other Persons

As at 30th June 2014, 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.

COMPETING INTERESTS

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

Save as disclosed herein, the Directors are not aware of any business or interest of the Directors, the 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.

AUDIT COMMITTEE

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

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

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

CORPORATE GOVERNANCE CODE

The Company has implemented measures to meet the Corporate Governance Code set out in Appendix 15 of the GEM Listing Rules (the "CG Code"). To the knowledge of the Directors, they consider that the Company has applied the principles of the CG Code and to a certain extent, of the recommended best practices thereof and are not aware of any noncompliance with the CG Code during the Half-year period.

SECURITIES TRANSACTIONS BY THE DIRECTORS

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

By Order of the Board
Vicente B. ANG
Director and Chief Executive Officer

Hong Kong, 11th August 2014