ACROSS ASIA LIMITED

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

ANNUAL REPORT 2014

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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
Vicente Binalhay ANG

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
Thomas Yee Man LAW

AUTHORISED PERSON TO ACCEPT SERVICE OF PROCESS AND NOTICES
Alice Yeuk Ki LO

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Cayman Islands

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE
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Grand Cayman KY1-1110
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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE
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AUDITOR
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Certified Public Accountants
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PRINCIPAL BANKER
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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 am pleased to present the Annual Report of the Company and its subsidiaries (collectively "AcrossAsia Group") for the financial year ended 31st December 2014 ("2014") to our shareholders.

AcrossAsia Group's financial and operational results improved substantially during 2014. AcrossAsia's operations are principally centred in PT First Media Tbk ("First Media") principally from First Media's operations in Indonesia. AcrossAsia's business has produced good results on a number of fronts in 2014:

(1) As detailed in our Business Review, we now have 17% more Internet and cable TV subscribers and our cables have now passed more than 1,400,000 homes.

(2) Despite the weak Indonesian currency, First Media achieved good results even in Hong Kong dollar terms. Our record-high turnover of HK$1,556.5 million comprised mainly HK$761.1 million from broadband internet, HK$167.9 million from wireless broadband services and HK$519.5 million from cable TV businesses, representing increases of 9%, 324% and 27% respectively from 2013.

(3) Our gross profit increased by 19.1% to HK$1,129.2 million mainly as a result of the increase in turnover.

(4) AcrossAsia Group recorded a profit from operations of HK$368.6 million compared to a loss of HK$22.1 million in 2013.

(5) The successful initial public offering of and sale of shares in PT Link Net Tbk. ("Link Net") and the subsequent successful placement of 7.45% shares in Link Net generated HK$1,684.1 million in total consideration which is reflected as HK$604.2 million increase in equity attributable to owners of the Company.

(6) As a result of the above, AcrossAsia Group has recovered all its accumulated losses and has an equity attributable to owners of the Company of HK$434.8 million as at 31st December 2014.

With the proceeds generated from the sale of shares in Link Net, and internal resources generated by its substantial business growth, First Media is slowly evolving itself into a leading technology, multimedia and telecommunications ("TMT") conglomerate in Indonesia. The most remarkable moves by First Media in this direction were the following acquisitions in late 2014:

(1) 75% of PT Cinemaxx Global Pasifik ("Cinemaxx"), which is engaged in filming and video recording and cinema services.

(2) Approximately 69% of PT Mitra Mandiri Mantap ("MMM"), the holding company and the major shareholder of PT Internux, a provider of broadband wireless access service with the trademark "BOLT!Super4G" covering the regions of Jabodetabek and Banten.

The acquisitions of Cinemaxx and MMM have substantially increased First Media's asset base, as well as its capability for further growth in the TMT industry.

Despite the above, 2014 continued to be challenging year for the Company. As in the previous years, 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 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 First Media.

Particulars of this dispute and its resulting series of legal proceedings have been detailed in the Company's previous Annual Reports, announcements and Note 44 to the financial statements and I will therefore not repeat it. Despite the temporary setback caused by the Hong Kong Court's dismissal of First Media's Setting Aside Application on 17th February 2015, we believe that we have solid grounds in the Company's appeal against the Garnishee Order Absolute.

CHAIRMAN'S STATEMENT

As a result of the bankruptcy order made against the Company in Indonesia on 5th March 2013, our Auditor has issued an adverse opinion. The Auditor believes that AcrossAsia has ceded control over First Media following appointment of the Receivers in Indonesia. The Board is of the view:

(1) That the Company has been greatly incapacitated by the Indonesian Bankruptcy Order and has faced many challenges since the date of the Indonesian Bankruptcy Order;

(2) However, as the legal process in Indonesia has yet to run its course it would still be premature to deconsolidate the financial statements of First Media and therefore it would be appropriate to continue for the time being to prepare the Company's financial statements on a consolidated basis.

Despite the above challenges, the Board will use its best endeavours and continue to keep shareholders informed timely of developments in the Company.

On behalf of the Board, I would like to express my earnest 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, 26th May 2015

FINANCIAL SUMMARY

A summary of the consolidated results and the consolidated assets and liabilities of AcrossAsia Group for the last five financial years, as extracted from the published audited consolidated financial statements and restated as appropriate, is set out below:

	2014	2013	2012	2011	2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
CONSOLIDATED RESULTS					
Continuing operations					
Turnover	**1,556,529**	1,299,479	1,091,166	920,648	708,984
Gross profit	**1,129,159**	948,244	773,391	724,985	554,464
Profit/(loss) after tax but before non-controlling interests	**60,457**	(143,104)	(27,064)	(64,189)	(17,720)
Loss attributable to owners of the Company	**(66,550)**	(158,682)	(89,879)	(80,431)	(33,145)
CONSOLIDATED ASSETS & LIABILITIES					
Equity attributable to owners of the Company	**434,797**	(60,519)	159,549	291,905	(92,422)
Non-current assets	**5,033,984**	2,187,014	2,190,249	1,749,460	1,261,363
Current assets	**1,105,143**	787,630	961,287	1,070,538	232,187
Current liabilities	**1,477,577**	1,269,949	883,271	603,811	801,938
Non-current liabilities	**1,417,938**	777,911	925,608	741,760	501,694

MANAGEMENT REVIEW

FINANCIAL REVIEW

AcrossAsia Group's results for 2014 were analysed as follows:

Turnover

AcrossAsia Group's turnover increased by 19.8% to HK$1,556.5 million compared to HK$1,299.5 million for 2013 mainly contributed by sustainable increase in demand for broadband Internet and data communication services by HK$60.2 million in aggregate to HK$761.1 million compared to HK$700.9 million in 2013, cable TV services by HK$110.2 million to HK$519.5 million from HK$409.3 million for 2013 and wireless broadband services by HK$128.3 million to HK$167.9 million from HK$39.6 million for 2013.

Gross Profit

AcrossAsia Group's gross profit increased by 19.1% to HK$1,129.2 million from HK$948.2 million for 2013 mainly attributable to additional demand for foregoing services.

Profit/(loss) from Operations

AcrossAsia Group recorded a profit from operations of HK$368.6 million compared to a loss of HK$22.1 million for 2013 mainly due to increased revenue. Total operating expenses (excluding other income and expenses) decreased to HK$820.5 million from HK$907.7 million for 2013 mainly as a result of better cost management.

Loss attributable to Owners

AcrossAsia Group recorded a loss attributable to the owners of the Company of HK$66.6 million compared to HK$158.7 million for 2013.

Finance Resources and Capital Structure

AcrossAsia Group acquired new subsidiaries, additional interests in a subsidiary, and remaining interest in an associate, purchased property, plant and equipment, purchased intangible assets, purchased available-for-sale financial assets, injected into associates and repaid loans and debts with funds generated from operations of HK$564.3 million, proceeds from disposal of shares in Link Net of HK$1,200.1 million, disposal of property, plant and equipment of HK$2.6 million and raised from loans and borrowings of HK$125.5 million. It utilised an aggregate amount of HK$1,637.2 million for the above activities but still retained cash and cash equivalents of HK$421.3 million as at 31st December 2014. It had current assets of HK$1,105.1 million as at 31st December 2014. Total interest-bearing borrowings including loans, notes payable, finance lease payables and bond payable increased by HK$319.6 million to HK$1,470.7 million as at 31st December 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 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 3.4 times as at 31st December 2014.

As a result of substantial operations in Indonesia, AcrossAsia Group is exposed to 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 negative impact on AcrossAsia Group's results mainly due to the depreciation of the Indonesian Rupiah. 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 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 118 SD (standard definition) channels of local and international TV plus 64 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. As at 31st December 2014, it has added over 238,000 home pass to its HFC network. By 31st December 2014, HFC Network passed more than 1,432,000 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 31st December 2014, the number of cable TV subscribers and broadband Internet subscribers continued their increase trend reaching over 362,000 and 392,000 respectively. The network already covers the prominent areas of Jabodetabek (Jakarta, Bogor, Depok, Tangerang and Bekasi), Surabaya and Bandung.

First Media Group continues to rollout high speed BWA (Broadband Wireless Access) service business, which adopted the technology of 4G LTE-TDD (Long Term Evolution — Time Division Duplex) with trademark Bolt!Super4G LTE. This step was taken to address the needs of a dynamic modern society in the digital edge, especially in the capital city of Jakarta, to provide reliable as well as economical access to high speed mobile internet. Until now First Media Group already has a network of 2,600 BTS (Based Transceiver Station) spread across the prominent areas of Jabodetabek. As part of its future plan, First Media Group will add 3,800 BTS, also in-building network solution in 320 buildings at the end of 2015.

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.

First Media Group is also developing new businesses such as cinema, infrastructure, in-building network solution and also calling card business.

PROSPECTS

Indonesia's economic growth during the year is mainly due to strong domestic consumption and foreign and domestic investment. This positive trend is expected to continue through 2015 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 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 2014 will facilitate higher penetration rates and further growth of its customer base.

First Media Group plans to develop other businesses either from the existing portfolio as well as from other potential business opportunities by staying focused on developing the technology, multimedia and telecommunications ("TMT") business, as all these three areas are interrelated. Going forward, First Media Group could further expand its business field, and in particular strengthen its structure in the TMT area.

EMPLOYEES

As at 31st December 2014, AcrossAsia Group had approximately 1,700 employees (2013: 1,170). Their remuneration, promotion and salary review are assessed based on job responsibilities, work performance, professional experiences and the prevailing industry practices.

EXECUTIVE DIRECTOR

Mr. Vicente Binalhay ANG, aged 67, has been an executive Director, Chief Executive Officer, Compliance Officer and Authorised Representative of the Company since May 2012 and is also the Company Secretary of the Company since November 2013. He 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 Theta Capital Pte. Ltd. ("Theta Capital") and the debt securities of 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 64, 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 35 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 independent non-executive Chairman of Auric Pacific Group Limited ("Auric"), a diversified food group listed on the Singapore Exchange.

He is also the independent non-executive 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 all listed in Singapore.

He is the Vice Governor on 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 Chairman of International Standard Resources Holdings Limited and an independent non-executive director of both Hongkong Chinese Limited and China Aircraft Leasing Group Holdings Limited, all are listed on the Stock Exchange and an independent non-executive director of Adavale Resources Limited, a company listed on Australian Securities Exchange.

Dr. Boh Soon LIM, aged 59, 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 Pacific Group Limited and CSE Global Limited, both of which are listed on the Singapore Exchange. He is also an independent non-executive director of SMTrack Berhad (formerly known as 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 was 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.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Thomas Yee Man LAW, aged 57, has been an independent non-executive Director and a member of the Audit Committee of the Board since May 2010 and is also an Authorised Representative of the Company since November 2013. 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. Ali CHENDRA, was appointed as the President Director of First Media on 23rd April 2014. He previously served as a Director of First Media since 23rd April 2013. In 2003, Ali Chendra established APMI (Association of Multimedia Indonesia) with the rank of Vice Chairman and earned his undergraduate degree at the Control Data Institute, Toronto, Canada.

Starting his career as a technical staff at PT Metrodata/Wang Computer (1979–1983), then in the following year he expanded his career by serving as a director of PT Total Data (1983–1993), later he served as a director of several companies: (i) PT Telepoint Nusantara (1993–1999); (ii) PT Telplus Digitalindo (1993–1999); (iii) First Media (2013–present); (iv) PT Infracom Telesarana (2009–2012).

He also served as President Director of several companies, among others: (i) PT Media Televisi Indonesia (2012–present); (ii) Infokom ELECTRIC; (iii) PT Datakom Primary; (iv) PT MLC/Indovision; (v) PT MCI/Indostar. Later he served as a member of the Board of Commissioners ("BOC") and Board of Directors ("BOD") in some Bhakti-owned company/MNC Group: (i) Linktone-Nasdaq Listed (member of BOD); (ii) PT Bhakti Investama Tbk (member of BOD); (iii) PT Agis Tbk (member of BOD); (iv) PT Metrosel (member of BOC); (v) PT Mobile 8 Telecom Tbk (member of BOC).

Mr. Irwan DJAJA, on 23rd April 2014, he was appointed as a Vice President Director of First Media, after serving as Director of Finance in 2009 and President Director in 2011.

Starting his career in 1993 as an accountant at PT Citra Dimensions Arthali, then joined the office of Accountant Prasetio Utomo & Co. (Arthur Andersen Co.SC) in 1994–1996 with his last position as a supervisor in the Division of Business Advisory. In 1998, worked at KPMG (Klynveld Peat Marwick Goerdeler) Asia Pacific as a senior manager, then joined Siddharta Consulting office, a member firm of KPMG International in 1999 and 2005, with the last position as director in 2001 and associate partner of Corporate Finance in the Financial Advisory Services Division. He joined the PT Clipan Finance Indonesia, Tbk, a finance company since January 2006 and served as Director/Deputy CEO.

He obtained his Bachelor of Economics majoring in Accounting from Trisakti University, a Master of Applied Finance from The University of Melbourne, Australia and earned a Doctorate in Management from Binus University, Indonesia.

CORPORATE GOVERNANCE PRACTICES

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 non-compliance with the CG Code.

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 2014.

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 2014, 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. Vicente Binalhay ANG ("Mr. Ang")	8/8	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 2014, 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. Ang	√	√
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) is the Chief Executive Officer 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 2014.

The term of office of Dr. Lim was extended for two years from 2nd May 2014.

The term of office of Mr. Law was extended for two years from 28th May 2014.

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 2014, the Board discharged its duties by reviewing and monitoring the Company's compliance with the CG Code and other legal and regulatory requirements, 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 CG Code, the written terms of reference of the Remuneration Committee 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 once during 2014 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)*	1/1	100%
Dr. Lim	1/1	100%

During 2014, 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.

The Board approved the recommendation of the Remuneration Committee for revision of the aforesaid remuneration policy with effect from 1st January 2014. Details of the remuneration paid to the directors as set out in Note 9 to the financial statements.

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 2014 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%

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 CG Code, the written terms of reference of the Audit Committee 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 2014 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 2014, 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 2014 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 2014 (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$66,550,000 for the year ended 31st December 2014 and had net current liabilities and net assets attributable to owners of the Company of approximately HK$372,434,000 and HK$434,797,000 respectively as at 31st December 2014.

The Auditor has issued an adverse opinion as it is of the view that pursuant to International Financial Reporting Standard 10 "Consolidated Financial Statements", the Company has lost control over First Media upon the appointment of the Receivers in Indonesia on 5th March 2013 and accordingly, the assets and liabilities of First Media and its subsidiaries (collectively referred to as "First Media Group") should have been deconsolidated from the date control of First Media Group ceased on 5th March 2013. In spite of the above, the consolidated financial statements of the Group for the year ended 31st December 2014 include the financial position of First Media Group as at 31st December 2014 and the results of First Media Group for the year ended 31st December 2014. This is because the Board of Directors is of the view that pending the final determination of all litigations in Hong Kong and Indonesia, it would be appropriate to continue for the time being to prepare the Company's financial statements on a consolidated basis.

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$1,349,390. During 2014, the Auditor of the Company also provided non-audit services in the sum of HK$98,041.

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 2014, 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 2014 (the "AGM 2014") was held on 9th May 2014. 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%
Mr. Ang	1/1	100%

INVESTOR RELATIONS

Pursuant to Rule 17.102 of the GEM Listing Rules, the Company has published on the respective websites of the Stock Exchange and the Company its memorandum of association and Articles of Association. During the Year, no amendments were made to the constitutional documents of the Company.

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 the 4G service.

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

CUSTOMERS AND SUPPLIERS

For 2014, the five largest customers of AcrossAsia Group accounted for approximately 3.66% (2013: 4.95%) of AcrossAsia Group's total turnover, while the five largest suppliers of AcrossAsia Group accounted for approximately 27.72% (2013: 30.11%) of AcrossAsia Group's total purchases. The largest customer of AcrossAsia Group accounted for 1.16% (2013: 1.62%) of AcrossAsia Group's total turnover while the largest supplier accounted for 7.67% (2013: 8.17%) 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.

The above excluded revenue from PT Internux, which became a subsidiary of AcrossAsia Group during the year, and contributed to approximately 10.8% (2013: 2.0%) of AcrossAsia Group's total turnover as set out in Note 7 to the financial statements.

RESULTS AND APPROPRIATIONS

Details of AcrossAsia Group's results for 2014 are set out in the Consolidated Statement of Profit or Loss on page 28 of the Annual Report.

The Directors do not recommend the payment of a final dividend in respect of 2014.

PENSION COSTS

Particulars of pension costs for 2014 are set out in Note 12 to the Financial Statements.

SHARE CAPITAL

Details of share capital are set out in Note 28 to the Financial Statements.

RESERVES

Movements in reserves and retained profits of AcrossAsia Group during 2014 are set out in the Consolidated Statement of Changes in Equity on page 33 of the Annual Report.

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

During 2014, there was no purchase, sale or redemption of shares of the Company by the Company or any of its subsidiaries.

PRE-EMPTIVE RIGHTS

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

SUBSIDIARIES

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

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment during 2014 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 2014 are set out in Notes 31, 32 and 33 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 2014 and up to the date of this report were:

Executive Director
Mr. Vicente Binalhay ANG

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.

DIRECTORS' SERVICE CONTRACTS

The term of office of Mr. Cheok was extended for two years from 22nd February 2014.

The term of office of Dr. Lim was extended for two years from 2nd May 2014.

The term of office of Mr. Ang was extended for two years from 8th May 2014.

The term of office of Mr. Law was extended for two years from 28th May 2014.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in Note 42 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 2014 or at any time during 2014.

DISCLOSURE OF INTERESTS IN SECURITIES

Directors and Chief Executive

As at 31st December 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. 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 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:

1. *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.*

2. *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.*

3. *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 31st December 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 2014. There was a chance that such businesses might have competed with AcrossAsia Group during 2014.

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.

The Auditor has issued an adverse opinion on the basis that it believes that AcrossAsia has ceded control over First Media following the appointment of Receivers in Indonesia and as a consequence the Auditor is of the opinion, pursuant to International Financial Reporting Standard 10 that the financial statements of First Media should not be consolidated with the Company.

As explained in Note 4(b) to the Financial Statements, the Board of Directors however considers that it would be appropriate to continue for the time being to prepare the Company's financial statements on a consolidated basis pending the final determination of all litigations in Hong Kong and Indonesia.

The Board of Directors has been advised by its Indonesian lawyer that as the Company is still the registered owner of 55.1% shares in First Media, the Company is therefore the parent company and First Media remains a subsidiary of the Company. The Board of Directors has taken into account that the Indonesian Bankruptcy Order is yet to be finalised and the Company is vigorously objecting against the Indonesian Bankruptcy Order. Although the Company's appeal to the Supreme Court of Indonesia against the Indonesian Bankruptcy Order was dismissed on 31st July 2013, the Company is entitled to make a final appeal by way of a petition for judicial review against the decision of the Supreme Court of Indonesia (the "Judicial Review") which is pending for filing and final hearing. Based on the development of the proceedings as stated in Note 44 to the consolidated financial statements and a legal opinion obtained from the Company's Indonesian lawyer, the Board of Directors of the Company is of the opinion that they have good grounds for success in the Judicial Review against the Indonesian Bankruptcy Order.

Whilst the Board of Directors recognises that the appointment of the Receivers may have incapacitated the Company, the Board of Directors are of the view that until the due legal process in Indonesia has run its course, including the decision of the Judicial Review, it would be premature for the Company to deconsolidate First Media.

In addition, in the financial statements of First Media, First Media regards the Company as its parent company by reason of its shareholding and thus the relationship has not changed. Furthermore, even after the Receivers were appointed, the Company's Board of Directors has been given full access to the books and records of First Media for purposes of preparation of the consolidated financial statements. The Board of Directors believes that for the time being until the Indonesian legal process runs its course, a consolidated basis of financial reporting represents the present picture to shareholders of their investment in First Media through their shareholdings in the Company.

In view of the above, the Board of Directors considers that it would still be appropriate to continue for the time being to prepare the Company's financial statements on a consolidated basis pending final determination of all litigations in Hong Kong and Indonesia.

On behalf of the Board
Albert Saychuan CHEOK
Chairman

Hong Kong, 26th May 2015

RSM
Audit • Tax • Advisory

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

We have audited the consolidated financial statements of AcrossAsia Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 28 to 96, which comprise the consolidated and Company statements of financial position as at 31st December 2014, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other 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 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.

Basis for adverse opinion

(a) Control over PT First Media Tbk ("First Media")

As stated in note 4(b) to the consolidated financial statements, 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 (the "Facility Agreement") entered into between the Company and First Media on 30th June 2011. 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 three Indonesian Receivers as receivers and curators of the Company, in bankruptcy (the

"Receivers"). However, as advised by the Company's lawyers, the Company has not been wound up in the Cayman Islands where it is incorporated or in Hong Kong where it has its Head Office and principle place of business. Therefore, the Company's board of directors continues to have authority to act for the Company outside Indonesia. There have been no significant developments since 2013.

The Company's investment in First Media is the principal asset of the Company located in Indonesia. Subsequent to the appointment of the Receivers, all assets of the Company including its shares in First Media are vested with the Receivers by the operation of the Indonesian Bankruptcy law. As a result, the Company is not permitted to sell, transfer, pledge, dispose of or otherwise deal in any manner whatsoever with its assets without first obtaining prior approval from the Receivers. Accordingly, pursuant to the Indonesian Bankruptcy Order, the current ability to direct the activities of First Media that significantly affect its returns is now subject to the direction by the Receivers.

Notwithstanding the aforesaid, the board of directors considers that the Company is still appropriate to consolidate First Media as the Indonesian Bankruptcy Order is yet to be finalised and the Company is vigorously objecting against the Indonesian Bankruptcy Order. Although the Company's appeal to the Supreme Court of Indonesia against the Indonesian Bankruptcy Order was dismissed on 31st July 2013, the Company is entitled to make a final appeal by way of a petition for judicial review against the decision of the Supreme Court of Indonesia (the "Judicial Review") which is pending for filing and final hearing. Based on the development of the proceedings as stated in note 44 to the consolidated financial statements and a legal opinion obtained from the Company's Indonesian lawyer, the board of directors of the Company is of the opinion that they have good grounds for the Company in its Judicial Review against the Indonesian Bankruptcy Order. In the event that the Company's Judicial Review is successful, the Indonesian Bankruptcy Order will be set aside. Furthermore, even after the Receivers were appointed, the Company's board of directors has been given full access to the books and records of First Media for purposes of preparation of the consolidated financial statements. In addition, First Media continues to recognise the Company as the parent in First Media's financial statements. In view of the above, the board of directors considers that the Company should for the time being consolidate First Media despite the Indonesian Bankruptcy Order and the appointment of the Receivers. There have been no significant developments since 2013.

However, based on International Financial Reporting Standard 10 "Consolidated Financial Statements", we are of the opinion that the Company has lost control over First Media upon the appointment of the Receivers on 5th March 2013. Consequently, First Media ceased to be the subsidiary of the Company with effect from the date of appointment of the Receivers. The assets and liabilities of First Media and its subsidiaries (collectively referred to as "First Media Group") should have been deconsolidated from the date control of First Media Group ceased on 5th March 2013. In spite of the above, the consolidated financial statements of the Group for the years ended 31st December 2013 and 2014 include the financial position of First Media Group as at 31st December 2013 and 2014 and the results of First Media Group for the period from 5th March 2013 to 31st December 2013 and the year ended 31st December 2014. Had First Media Group been deconsolidated, many elements in the consolidated financial statements of the Group would have been materially affected. The effects on the consolidated financial statements of the failure to deconsolidate First Media Group have not been determined and disclosed.

(b) Going concern

As stated in note 44 to the financial statements, garnishee proceedings have been brought by Astro Group (as defined in note 44 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 First Media (the "SIAC Awards"). 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 judgement debtor) be attached to answer a Hong Kong High Court judgement dated 9th December 2010 against First Media by Astro Group (the judgement creditors) for certain judgement sums (the "Hong Kong Judgement"). First Media has made applications to the Hong Kong High Court on 18th January 2012, amongst other things, to set aside the Hong Kong Judgement and discharge the Garnishee Order to Show Cause ("First Media's Setting Aside Application").

On 31st October 2013, the Hong Kong Court dismissed the Company's application to set aside the Garnishee Order to Show Cause and made the Garnishee Order to Show Cause absolute with a nisi order for costs in favour of Astro Group (the "Garnishee Order Absolute"). However, on 24th January 2014, the Company was granted a stay of execution of the Garnishee Order Absolute pending determination of First Media's Setting Aside Application.

As stated in note 44 to the financial statements, the Hong Kong Court dismissed First Media's Setting Aside Application on 17th February 2015 (the "Decision") and ruled that the SIAC Awards are enforceable in the Hong Kong Court. Since First Media's Setting Aside Application has been dismissed, the order for stay of execution of the Garnishee Order Absolute granted by the Hong Kong Court on 24th January 2014 lapsed accordingly.

The board of directors understands that First Media intends to appeal to the Court of Appeal against the Decision. On 2nd March 2015, First Media has filed three summonses seeking amongst other things, for directions whether leave to appeal is required in respect of the Decision and for leave if so required, variation of the costs order and an extension of the Unconditional Stay of Execution until determination of First Media's appeal to the Court of Appeal against the Decision. All these summonses have been fixed for hearing on 20th October 2015.

The Company has also filed a Summons for Extension of the Stay of Execution pending determination of the Company's Appeal against the Garnishee Order Absolute ("the Company's Appeal") and /or First Media's appeal against the Decision dated 17th February 2015 and the Summons is also fixed for hearing on 20th October 2015.

Furthermore, the Company had net current liabilities and capital deficiency of approximately HK$492,974,000 and HK$60,641,000 respectively, as at 31st December 2014. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company'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 on the ultimate outcome of the proceedings in Hong Kong and Indonesia. The consolidated financial statements do not include any adjustments that would result from the possible outcome of the proceedings.

Adverse opinion

In our opinion, because of the significance of the matters described above in the basis for adverse opinion paragraph, the consolidated financial statements do not give a true and fair view of the state of affairs of the Group and of the Company as at 31st December 2014, and of the Group's results and cash flows for the year then ended in accordance with International Financial Reporting Standards and have not been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

RSM Nelson Wheeler
Certified Public Accountants

Hong Kong

26th May 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31st December 2014

	Note	2014 HK$'000	2013 HK$'000
Turnover	5	**1,556,529**	1,299,479
Cost of services rendered		**(427,370)**	(351,235)
Gross profit		**1,129,159**	948,244
Other income	6	**63,547**	20,019
Net foreign exchange losses		**(3,586)**	(79,307)
Selling and distribution costs		**(101,342)**	(117,100)
General and administrative expenses		**(719,191)**	(790,550)
Other operating expenses		**—**	(3,448)
Profit/(loss) from operations		**368,587**	(22,142)
Finance costs	8	**(55,455)**	(70,845)
Share of losses of associates		**(28,279)**	(7,475)
Loss on disposal of an associate		**(2,845)**	—
Gain on disposal of partial interest in an associate	39(e)	**—**	165
Gain on bargain purchase in respect of business combination	39(a)	**6,000**	—
Fair value loss on derivative financial instruments	38	**(18,691)**	—
Profit/(loss) before tax		**269,317**	(100,297)
Income tax expense	11	**(208,860)**	(42,807)
Profit/(loss) for the year	12	**60,457**	(143,104)
Attributable to:			
Owners of the Company	13	**(66,550)**	(158,682)
Non-controlling interests		**127,007**	15,578
		60,457	(143,104)
Loss per share	15		
— basic (HK cents)		**(1.31)**	(3.13)
— diluted (HK cents)		**N/A**	N/A

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st December 2014

	2014 HK$'000	2013 HK$'000
Profit/(loss) for the year	**60,457**	(143,104)
Other comprehensive income:		
Item that will not be reclassified to profit or loss:		
Remeasurement gains on defined benefit pension plans	**432**	15,876
Item that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**(102,150)**	(288,806)
Other comprehensive income for the year, net of tax	**(101,718)**	(272,930)
Total comprehensive income for the year	**(41,261)**	(416,034)
Attributable to:		
Owners of the Company	**(96,803)**	(220,038)
Non-controlling interests	**55,542**	(195,996)
	(41,261)	(416,034)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December 2014

	Note	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment	*16*	**3,079,012**	1,791,850
Investments in associates	*18*	**14,671**	11,723
Available-for-sale financial assets	*19*	**61,493**	3,258
Goodwill	*20*	**92,658**	—
Other intangible assets	*21*	**1,029,111**	73,186
Deferred tax assets	*22*	**309,610**	139,638
Non-current prepayments, deposits and receivables	*23*	**447,429**	167,359
		5,033,984	2,187,014
Current assets			
Trade receivables	*24*	**142,826**	383,056
Due from a related company	*25*	**2**	2
Prepayments, deposits and other current assets	*26*	**541,012**	153,686
Bank and cash balances	*27*	**421,303**	250,886
		1,105,143	787,630
TOTAL ASSETS		**6,139,127**	2,974,644

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December 2014

	Note	2014 HK$'000	2013 HK$'000
Capital and reserves			
Share capital	28	**50,646**	50,646
Reserves	29	**384,151**	(111,165)
Equity attributable to owners of the Company		**434,797**	(60,519)
Non-controlling interests		**2,808,815**	987,303
Total equity		**3,243,612**	926,784
Non-current liabilities			
Employees' benefits obligations	30	**60,165**	43,177
Interest-bearing borrowings	31	**977,456**	166,900
Bond payable	33	**—**	467,946
Finance lease payables	34	**132,292**	81,226
Due to a related company	35	**18,305**	18,662
Deferred tax liabilities	22	**229,720**	—
		1,417,938	777,911
Current liabilities			
Interest-bearing borrowings	31	**345,753**	397,928
Notes payable	32	**—**	3,177
Finance lease payables	34	**15,222**	33,906
Due to related companies	35	**4,000**	4,000
Trade payables	36	**528,160**	243,086
Receipts in advance		**24,022**	299,061
Other payables and accruals	37	**504,854**	279,654
Derivative financial liabilities	38	**17,814**	—
Current tax payable		**37,752**	9,137
		1,477,577	1,269,949
Total liabilities		**2,895,515**	2,047,860
TOTAL EQUITY AND LIABILITIES		**6,139,127**	2,974,644
Net current liabilities		**(372,434)**	(482,319)
Total assets less current liabilities		**4,661,550**	1,704,695

Albert Saychuan CHEOK
Director

Vicente Binalhay ANG
Director

STATEMENT OF FINANCIAL POSITION

As at 31st December 2014

	Note	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment	16	**26**	38
Interests in subsidiaries	17	**430,849**	430,849
Available-for-sale financial assets	19	**67**	67
Non-current prepayments, deposits and receivables	23	**1,391**	623
		432,333	431,577
Current assets			
Due from related companies	25	**2**	2
Prepayments, deposits and other current assets	26	**930**	8,452
Bank and cash balances	27	**165**	188
		1,097	8,642
TOTAL ASSETS		**433,430**	440,219
Capital and reserves			
Share capital	28	**50,646**	50,646
Reserves	29	**(111,287)**	(95,749)
Equity		**(60,641)**	(45,103)
Current liabilities			
Interest-bearing borrowings	31	**93,000**	93,000
Due to a subsidiary	17	**362,502**	362,502
Due to a related company	35	**4,000**	4,000
Other payables and accruals	37	**34,569**	25,820
Total liabilities		**494,071**	485,322
TOTAL EQUITY AND LIABILITIES		**433,430**	440,219
Net current liabilities		**(492,974)**	(476,680)
Total assets less current liabilities		**(60,641)**	(45,103)

Albert Saychuan CHEOK
Director

Vicente Binalhay ANG
Director

	Attributable to owners of the Company						
	Issued capital	**Share premium account**	**Translation reserve**	**(Accumulated losses)/ retained profits**	**Total**	**Non-controlling interests**	**Total equity**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1st January 2013	50,646	414,318	(77,246)	(228,169)	159,549	1,183,108	1,342,657
(Loss)/profit for the year	—	—	—	(158,682)	(158,682)	15,578	(143,104)
Other comprehensive income for the year	—	—	(67,529)	6,173	(61,356)	(211,574)	(272,930)
Total comprehensive income for the year	—	—	(67,529)	(152,509)	(220,038)	(195,996)	(416,034)
Deemed disposal of partial interest in a subsidiary (Note 39(d))	—	—	—	(30)	(30)	191	161
Changes in equity for the year	—	—	(67,529)	(152,539)	(220,068)	(195,805)	(415,873)
At 31st December 2013	50,646	414,318	(144,775)	(380,708)	(60,519)	987,303	926,784
At 1st January 2014	50,646	414,318	(144,775)	(380,708)	(60,519)	987,303	926,784
(Loss)/profit for the year	—	—	—	(66,550)	(66,550)	127,007	60,457
Other comprehensive income for the year	—	—	(30,144)	(109)	(30,253)	(71,465)	(101,718)
Total comprehensive income for the year	—	—	(30,144)	(66,659)	(96,803)	55,542	(41,261)
Acquisition of subsidiaries (Note 39(a))	—	—	—	—	—	710,185	710,185
Disposal of partial interest in a subsidiary (Note 39(c))	—	—	—	604,176	604,176	1,079,924	1,684,100
Purchases of non-controlling interests (Note 39(c))	—	—	—	(12,057)	(12,057)	(14,818)	(26,875)
Dividends paid to non-controlling shareholders	—	—	—	—	—	(9,321)	(9,321)
Changes in equity for the year	—	—	(30,144)	525,460	495,316	1,821,512	2,316,828
At 31st December 2014	50,646	414,318	(174,919)	144,752	434,797	2,808,815	3,243,612

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st December 2014

	Note	2014 HK$'000	2013 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		**269,317**	(100,297)
Adjustments for:			
Share of losses of associates		**28,279**	7,475
Finance costs		**55,455**	70,845
Interest income		**(16,671)**	(18,245)
Depreciation		**294,922**	250,926
Amortisation of other intangible assets		**19,709**	17,268
Impairment of goodwill		**—**	3,448
Impairment of property, plant and equipment		**6,737**	3,602
Allowance for impairment of receivables		**28,089**	35,105
Loss/(gain) on disposal of property, plant and equipment		**18,459**	(190)
Loss on disposal of an associate		**2,845**	—
Gain on disposal of partial interest in an associate	*39(e)*	**—**	(165)
Gain on bargain purchase in respect of business combination	*39(a)*	**(6,000)**	—
Fair value loss on derivative financial instruments	*38*	**18,691**	—
Increase in employees' benefits obligations		**11,402**	14,486
Operating profit before working capital changes		**731,234**	284,258
Increase in trade receivables		**(37,246)**	(332,068)
Decrease in amounts due from related companies		**—**	66
Decrease in prepayments, deposits and other current assets		**365,611**	118,484
Decrease in trade payables		**(166,062)**	(28,268)
(Decrease)/increase in receipts in advance		**(285,418)**	288,609
Increase in other payables and accruals		**58,008**	109,623
Cash generated from operations		**666,127**	440,704
Income taxes paid		**(101,856)**	(141,800)
Net cash generated from operating activities		**564,271**	298,904

	Note	2014 HK$'000	2013 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(564,975)	(856,834)
Purchases of other intangible assets		(22,269)	(23,305)
Purchases of available-for-sale financial assets		(59,658)	—
Acquisition of subsidiaries	39(a)	(441,223)	—
Acquisition of remaining interests in an associate	39(b)	(3,051)	—
Proceeds from disposal of partial interest in a subsidiary	39(c)	1,200,095	—
Proceeds from disposal of partial interest in an associate	39(e)	—	1,574
Proceeds from disposal of property, plant and equipment		2,558	221,640
Capital contribution to associates		(34,314)	(13,185)
Interest received		16,671	18,245
Net cash generated from/(used in) investing activities		93,834	(651,865)
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of non-controlling interests	39(c)	(26,875)	—
Proceeds from deemed disposal of partial interest in a subsidiary	39(d)	—	161
Repayment of interest-bearing borrowings		(385,158)	(200,411)
Interest-bearing borrowings raised		125,493	381,565
Repayment of notes payable		(3,270)	—
Repayment of finance lease payables		(96,445)	(111,943)
Interest paid		(53,047)	(65,470)
Dividend paid to non-controlling shareholders		(9,321)	—
Net cash (used in)/generated from financing activities		(448,623)	3,902
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		209,482	(349,059)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		250,886	685,364
Effect of foreign exchange rate changes		(39,065)	(85,419)
CASH AND CASH EQUIVALENTS AT END OF YEAR		421,303	250,886
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank and cash balances		421,303	250,886

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 11th Floor, Kwan Chart Tower, 6 Tonnochy Road, Wanchai, 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 2014, 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 2014. IFRSs comprise International Financial Reporting Standards ("IFRS"); International Accounting Standards ("IAS"); and Interpretations ("IFRIC").

(a) Application of new and revised IFRSs

The following standards have been adopted by AcrossAsia Group for the first time for the financial year beginning 1st January 2014:

Amendments to IFRS 10, IFRS 12 and IAS 27, Investment entities

The amendments provide consolidation relief to those parents which qualify to be an investment entity as defined in the amended IFRS 10. Investment entities are required to measure their subsidiaries at fair value through profit or loss. These amendments do not have an impact on these consolidated financial statements as the Company does not qualify to be an investment entity.

Amendment to IAS 32, Offsetting financial assets and financial liabilities

This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on AcrossAsia Group's consolidated financial statements.

Amendment to IAS 36, Recoverable amount disclosures for non-financial assets

The amendments reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount based on fair value less costs of disposal is determined using a present value technique. The amendments do not have an impact on these consolidated financial statements as the recoverable amounts of assets or cash-generating units have been determined on the basis of their value in use.

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

(a) Application of new and revised IFRSs (Continued)

IFRIC 21, Levies

The Interpretation provides guidance on when a liability to pay a levy imposed by a government should be recognised. The amendments do not have an impact on these consolidated financial statements as AcrossAsia Group is not currently subjected to significant levies.

Amendments to IFRS 3 (Annual Improvements to IFRSs 2010–2012 Cycle)

This amendment, applicable prospectively to business combinations for which the acquisition date is on or after 1st July 2014, requires any contingent consideration that is classified as an asset or a liability (i.e. non-equity) to be measured at fair value at each reporting date with changes in fair value recognised in profit or loss. It had no effect on AcrossAsia Group's consolidated financial statements.

Amendments to IFRS 13 (Annual Improvements to IFRSs 2010–2012 Cycle)

This amendment to the standard's basis for conclusions only clarifies that the ability to measure certain short-term receivables and payables on an undiscounted basis is retained.

(b) New and revised IFRSs in issue but not yet effective (see below)

AcrossAsia Group has not early applied new and revised IFRSs that have been issued but are not yet effective for the financial year beginning 1st January 2014. The Directors anticipate that the new and revised IFRSs will be adopted in AcrossAsia Group's consolidated financial statements when they become effective. AcrossAsia Group is in the process of assessing, where applicable, the potential effect of all new and revised IFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised IFRSs would have a material impact on its results of operations and financial position.

List of new and revised IFRSs in issue but not yet effective

IFRS 9	Financial Instruments[1]
IFRS 14	Regulatory Deferral Accounts[2]
IFRS 15	Revenue from Contracts with Customers[3]
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to IAS 1	Disclosure Initiative[5]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[5]
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to IAS 27	Equity Method in Separate Financial Statements[5]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception[5]
Amendments to IFRSs	Annual Improvements to IFRSs 2010–2012 Cycle[6]
Amendments to IFRSs	Annual Improvements to IFRSs 2011–2013 Cycle[4]
Amendments to IFRSs	Annual Improvements to IFRSs 2012–2014 Cycle[5]

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

(b) New and revised IFRSs in issue but not yet effective (see below) (Continued)

[1] Effective for annual periods beginning on or after 1st January 2018, with earlier application permitted.
[2] Effective for first annual IFRS financial statements beginning on or after 1st January 2016, with earlier application permitted.
[3] Effective for annual periods beginning on or after 1st January 2017, with earlier application permitted.
[4] Effective for annual periods beginning on or after 1st July 2014, with earlier application permitted.
[5] Effective for annual periods beginning on or after 1st January 2016, with earlier application permitted.
[6] Effective for annual periods beginning on or after 1st July 2014, with limited exceptions. Earlier application is permitted.

(c) New Hong Kong Companies Ordinance

The requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after 3rd March 2014 in accordance with section 358 of that Ordinance. AcrossAsia Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant.

3. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with all applicable IFRSs. These consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. certain investments that are measured at fair value).

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in the process of applying AcrossAsia Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

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

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31st December. Subsidiaries are entities over which AcrossAsia Group has control. AcrossAsia Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. AcrossAsia Group has power over an entity when AcrossAsia Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

When assessing control, AcrossAsia Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

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) AcrossAsia Group's share of the net assets of that subsidiary plus any remaining goodwill and any related accumulated translation reserve relating to that subsidiary.

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 statement of profit or loss and consolidated statement of profit or loss and other 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 AcrossAsia Group'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.

(b) Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Business combination and goodwill (Continued)

The excess of the sum of the consideration transferred 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 sum of the consideration transferred 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 sum of the consideration transferred in a business combination to calculate the goodwill.

The non-controlling interests in the subsidiary are initially measured either at fair value or at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date. The choice of measurement basis is made on a transaction-by-transaction basis.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs") or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within AcrossAsia Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(c) Associates

Associates are entities over which AcrossAsia Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions 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, including potential voting rights held by other entities, are considered when assessing whether AcrossAsia Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment 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 the investment 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 entire carrying amount of that associate (including goodwill) and any related accumulated translation reserve. If an investment in an associate becomes an investment in a joint venture, AcrossAsia Group continues to apply the equity method and does not remeasure the retained interest.

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 value 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 for the period (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 other comprehensive income and accumulated in the translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities and of borrowings are recognised in other comprehensive income and accumulated in the translation reserve. When a foreign operation is sold, such exchange differences are reclassified to 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 including buildings and leasehold land (classified as finance leases) held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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%

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Property, plant and equipment (Continued)

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

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

(f) Construction in progress

Construction in progress consists mainly of distribution network under construction. Expenditures relating to the construction, including direct costs of construction 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. Depreciation begins when the relevant assets are available for use.

(g) Leases

AcrossAsia Group as lessee

(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.

AcrossAsia Group as lessor

(i) Operating leases

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Intangible assets other than goodwill

Intangible assets other than goodwill are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives as follows:

Wireless broadband licences	6–10 years
Application software licences	3–8 years
Customer relationship	3 years
Trademark	3 years
TV channel brand name	5 years

(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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Investments (Continued)

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets not classified as loans 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 and accumulated in the investment revaluation reserve, 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 reclassified from equity to profit or loss. Dividends on available-for-sale equity investments are 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.

The unlisted equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost less 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 impairment. An 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 the receivables. The amount of the impairment 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 impairment 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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 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-proportion 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-proportion 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;

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Revenue recognition (Continued)

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

(viii) asset leasing, on a time-proportion basis;

(ix) network support service fee, when the service is rendered;

(x) interest income, on a time-proportion basis using the effective interest method; and

(xi) dividend income, when the shareholders' rights to receive payment are established.

(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

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefits obligations. The defined benefits obligations are calculated annually by independent actuaries using the projected unit credit method ("PUCM"). The present value of the defined benefits obligations is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation. If there is no deep market in such bonds, the market rates on government bonds are used.

Remeasurements of the net defined benefit liability which represent actuarial gains and losses are recognised in other comprehensive income in the period in which they arise and will not be reclassified to profit or loss. Service costs and net interest on the net defined benefit liability are recognised immediately in profit or loss.

Net interest on the net defined benefit liability is determined by multiplying the net defined benefit liability by the discount rate used to measure defined benefits obligations at the start of the annual reporting period, taking account of any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

During the year ended 31st December 2013, the Company also operated a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Company's contributions to the MPF Scheme were calculated at 5% of the salaries and wages subject to a monthly maximum amount of HK$1,250 per employee and vest fully with employees when contributed into the MPF Scheme.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Employee benefits (Continued)

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when AcrossAsia Group can no longer withdraw the offer of those benefits and when AcrossAsia Group recognises restructuring costs and involves the payment of termination benefits.

(q) Borrowing costs

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

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

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

(r) 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 of items of income or expense that are taxable or deductible in other years and 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Taxation (Continued)

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 the 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.

(s) 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 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.
- (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).

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Impairment of assets

At the end of each reporting period, AcrossAsia Group reviews the carrying amounts of its assets except goodwill, deferred tax assets, investments and receivables, of which the policies are set out in Notes 3(b), 3(r), 3(j) and 3(k) respectively, 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 of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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.

(u) 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.

(v) 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 separately further below).

(a) Going concern basis

These financial statements have been prepared on a going concern basis, the validity of which depends upon the ultimate outcome of the garnishee and related proceedings. Details are disclosed in Note 44 to the financial statements.

(b) Basis of preparation of consolidated financial statements

As indicated in Note 3(a), the financial statements have been prepared on the consolidated basis. First Media 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 three Indonesian receivers as receivers and curators of the Company, in bankruptcy (the "Receivers"). However, as advised by the Company's lawyers, the Company has not been wound up in the Cayman Islands where it is incorporated or in Hong Kong where it has its Head Office and principle place of business. Therefore, the Company's Board of Directors continues to have authority to act for the Company outside Indonesia.

The Company's investment in First Media is the principal asset of the Company located in Indonesia. Subsequent to the appointment of the Receivers, all assets of the Company including its shares in First Media are vested with the Receivers by the operation of the Indonesian Bankruptcy law. As a result, the Company is not permitted to sell, transfer, pledge, dispose of or otherwise deal with its assets in any manner whatsoever without first obtaining prior approval from the Receivers.

The Company's Board of Directors has been advised by its Indonesian lawyer that as the Company is still the registered owner of 55.1% shares in First Media, the Company is therefore the parent company and First Media remains a subsidiary of the Company. The Board of Directors has taken into account that the Indonesian Bankruptcy Order is yet to be finalised and the Company is vigorously objecting against the Indonesian Bankruptcy Order. Although the Company's appeal to the Supreme Court of Indonesia against the Indonesian Bankruptcy Order was dismissed on 31st July 2013, the Company is entitled to make a final appeal by way of a petition for judicial review against the decision of the Supreme Court of Indonesia (the "Judicial Review") which is pending for filing and final hearing. Based on the development of the proceedings as stated in Note 44 to the consolidated financial statements and a legal opinion obtained from the Company's Indonesian lawyer, the Board of Directors of the Company is of the opinion that they have good grounds for success in the Judicial Review against the Indonesian Bankruptcy Order.

Whilst the Board of Directors recognises that the appointment of the Receivers may have incapacitated the Company, the Board of Directors are of the view that until the due legal process in Indonesia has run its course, including the decision of the Judicial Review, it would be premature for the Company to deconsolidate First Media.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Critical judgements in applying accounting policies (Continued)

(b) Basis of preparation of consolidated financial statements (Continued)

In addition, in the financial statements of First Media, First Media regards the Company as its parent company by reason of its shareholding and thus the relationship has not changed. Furthermore, even after the Receivers were appointed, the Company's Board of Directors has been given full access to the books and records of First Media for purposes of preparation of the consolidated financial statements. The Board of Directors believes that for the time being until the Indonesian legal process runs its course, a consolidated basis of financial reporting represents the present picture to shareholders of their investment in First Media through their shareholdings in the Company.

In view of the above, the Board of Directors considers that it would still be appropriate to continue for the time being to prepare the Company's financial statements on a consolidated basis pending final determination of all litigations in Hong Kong and Indonesia.

(c) Consolidation of entity with less than 50% equity interest holding

PT Link Net Tbk ("Link Net") is a 33.82% owned subsidiary of First Media. On 9th October 2014, First Media entered into a new cooperation agreement ("Cooperation Agreement") with the other shareholder of Link Net, Asia Link Dewa Pte Ltd ("ALD"). At 31st December 2014, ALD's equity interests in Link Net was 33.45%. Pursuant to the Cooperation Agreement, First Media can direct ALD on the appointment of directors and commissioners to the Board of Directors and Board of Commissioners of Link Net respectively, and their decisions.

In view of the above, the Board of Directors considers that it would still be appropriate to treat Link Net as a subsidiary and consolidate the financial statements of Link Net in the Company's financial statements.

(d) 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.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

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 or residual values of property, plant and equipment of similar nature and functions. AcrossAsia Group will revise the depreciation charge where useful lives or 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.

The carrying amount of property, plant and equipment as at 31st December 2014 was HK$3,079,012,000 (2013: HK$1,791,850,000).

(b) *Income taxes*

AcrossAsia Group is subject to income taxes in several jurisdictions. 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.

During the year, income tax of HK$208,860,000 (2013: HK$42,807,000) was charged to profit or loss based on AcrossAsia Group's estimated profit.

(c) *Fair value of derivative financial instruments*

As disclosed in Note 38 to the consolidated financial statements, the fair value of the derivative financial instruments at the date of issue and at the end of the reporting period was determined using option pricing models. Application of option pricing models requires AcrossAsia Group to estimate the prominent factors affecting the fair value, including but not limited to, the expected life of the derivative component, the expected volatility of the share prices of the subsidiary and the expected dividend yield. Where the estimation of these factors is different from those previously estimated, such differences will impact the fair value gain or loss on the derivative component in the period in which such determination is made.

The carrying amount of the derivative financial liabilities as at 31st December 2014 was HK$17,814,000 (2013: HK$Nil).

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(d) Actuarial assumptions on defined benefit retirement plans

Accounting for defined benefit plans may be complex because actuarial assumptions are required to measure the obligation and the expense, with the possibility that actual results differ from the assumed results. These differences are known as actuarial gains and losses. Defined benefits obligations are measured using the PUCM, according to which AcrossAsia Group has to make a reliable estimate of the amount of benefits earned in return for services rendered in current and prior periods, using actuarial techniques. As a result, the use of the PUCM involves a number of actuarial assumptions. These assumptions include demographic assumptions such as mortality, turnover and retirement age and financial assumptions such as discount rates, salary and benefit levels. Such assumptions are subject to judgements and may develop materially differently than expected and therefore may result in significant impacts on defined benefits obligations.

The carrying amount of retirement benefits obligations as at 31st December 2014 was HK$60,165,000 (2013: HK$43,177,000).

5. TURNOVER

	2014 HK$'000	2013 HK$'000
Subscription fees for cable television	519,511	409,321
Subscription fees for fast speed broadband Internet	615,473	563,230
Data communication services	145,583	137,675
Media sales	60,033	69,860
Wireless broadband services	167,929	39,577
Others	48,000	79,816
	1,556,529	1,299,479

6. OTHER INCOME

	2014 HK$'000	2013 HK$'000
Interest income	16,671	18,245
Leasing income from network assets	39,381	—
Gain on disposal of property, plant and equipment	—	190
Others	7,495	1,584
	63,547	20,019

7. SEGMENT INFORMATION

AcrossAsia Group has three reportable segments as follows:

Multimedia services and broadband network services	—	provision of multimedia distribution and broadband internet services
Broadband wireless services	—	provision of broadband wireless services
Others	—	provision of film and video recording and telecommunication services

7. SEGMENT INFORMATION (Continued)

AcrossAsia Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

AcrossAsia Group's other operating segments include the provision of film and video recording and telecommunication services. None of these segments meets any of the quantitative thresholds for determining reportable segments. The information of these other operating segments is included in the "others" column.

The accounting policies of the reportable segments are the same as those described in Note 3 to the financial statements. Segment profits or losses do not include share of losses of associates, gain on disposal of partial interest in an associate, loss on disposal of an associate, fair value loss on derivative financial instruments, other income, finance costs and corporate administrative expenses. Segment assets do not include investments in associates, available-for-sale financial assets, derivative financial assets and corporate assets for general administrative use. Segment liabilities do not include derivative financial liabilities, bond payable, notes payable, and corporate liabilities which are managed on a central basis. Segment non-current assets do not include financial instruments and deferred tax assets.

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

Information about reportable segments' profit or loss, assets and liabilities:

	Multimedia services and broadband network services *HK$'000*	Broadband wireless services *HK$'000*	Others *HK$'000*	Total *HK$'000*
Year ended 31st December 2014				
Revenue from external customers	**1,374,290**	**136,898**	**45,341**	**1,556,529**
Intersegment revenue	**21,788**	**31,031**	**10,052**	**62,871**
Segment profit/(loss)	**375,552**	**(232,192)**	**(16,213)**	**127,147**
Interest revenue	**11,507**	**4,971**	**181**	**16,659**
Interest expense	**12,011**	**36,557**	**3,680**	**52,248**
Depreciation and amortisation	**257,136**	**52,086**	**5,541**	**314,763**
Income tax expense/(credit)	**129,425**	**84,665**	**(5,222)**	**208,868**
Other material non-cash items:				
Impairment of property, plant and equipment	**—**	**6,737**	**—**	**6,737**
Gain on bargain purchase in respect of business combination	**—**	**6,000**	**—**	**6,000**
Additions to segment non-current assets	**588,228**	**124,955**	**14,085**	**727,268**
As at 31st December 2014				
Segment assets	**2,244,187**	**3,522,714**	**257,447**	**6,024,348**
Segment liabilities	**437,668**	**1,989,995**	**168,537**	**2,596,200**
Investments in associates	**12,999**	**—**	**—**	**12,999**

7. SEGMENT INFORMATION (Continued)

Information about reportable segments' profit or loss, assets and liabilities: (Continued)

	Multimedia services and broadband network services	Broadband wireless services	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31st December 2013				
Revenue from external customers	1,232,278	32,819	34,382	1,299,479
Intersegment revenue	897	22,245	8,458	31,600
Segment profit/(loss)	292,688	(218,792)	(16,947)	56,949
Interest revenue	2,777	15,116	336	18,229
Interest expense	22,460	31,442	3,968	57,870
Depreciation and amortisation	207,776	52,574	7,584	267,934
Income tax expense/(credit)	92,683	(46,252)	(3,506)	42,925
Other material non-cash items:				
Impairment of goodwill	—	—	3,448	3,448
Impairment of property, plant and equipment	1,785	1,817	—	3,602
Additions to segment non-current assets	708,670	320,452	5,315	1,034,437
As at 31st December 2013				
Segment assets	2,003,440	893,568	47,877	2,944,885
Segment liabilities	445,572	838,750	31,354	1,315,676
Investments in associates	7,364	2,930	—	10,294

7. SEGMENT INFORMATION (Continued)

Reconciliations of reportable segments' revenue and profit or loss:

	2014 *HK$'000*	2013 *HK$'000*
Revenue		
Total revenue of reportable segments	**1,619,400**	1,331,079
Elimination of intersegment revenue	**(62,871)**	(31,600)
Consolidated revenue	**1,556,529**	1,299,479
Profit or loss		
Total profit or loss of reportable segments	**127,147**	56,949
Share of losses of associates	**(28,279)**	(7,475)
Gain on disposal of partial interest in an associate	**—**	165
Loss on disposal of an associate	**(2,845)**	—
Fair value loss on derivative financial instruments	**(18,691)**	—
Other income	**63,547**	20,019
Finance costs	**(55,455)**	(70,845)
Corporate administrative expenses	**(24,967)**	(141,917)
Consolidated profit/(loss) for the year	**60,457**	(143,104)
Reconciliations of reportable segments' assets and liabilities:		
Assets		
Total assets of reportable segments	**6,024,348**	2,944,885
Investments in associates	**14,671**	11,723
Available-for-sale financial assets	**61,493**	3,258
Corporate assets for general administrative use	**38,615**	14,778
Consolidated total assets	**6,139,127**	2,974,644
Liabilities		
Total liabilities of reportable segments	**2,596,200**	1,315,676
Bond payable	**—**	467,946
Derivative financial liabilities	**17,814**	—
Notes payable	**—**	3,177
Corporate liabilities	**281,501**	261,061
Consolidated total liabilities	**2,895,515**	2,047,860

Geographical information

All the revenue generated by AcrossAsia Group for the two years ended 31st December 2014 and 2013 was attributable to customers based in Indonesia. In addition, the majority of AcrossAsia Group's non-current assets are located in Indonesia. Accordingly, no geographical analysis is presented.

Revenue from major customers

Revenue from one customer of AcrossAsia Group's broadband wireless services segment represented approximately HK$167,408,000 (2013: HK$26,073,000) of AcrossAsia Group's total revenue.

8. FINANCE COSTS

	2014 HK$'000	2013 HK$'000
Interest on:		
Bank loans and overdrafts	21,521	22,639
Notes payable wholly repayable within five years	—	445
Other borrowings wholly repayable within five years	6,145	15,872
Finance lease payables	25,381	26,514
Bond payable	2,408	5,375
	55,455	70,845

9. DIRECTORS' REMUNERATION

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

	Fees		Salaries, allowances and benefits in kind		Total	
	2014 HK$'000	2013 HK$'000	2014 HK$'000	2013 HK$'000	2014 HK$'000	2013 HK$'000
Executive Director						
Mr. Vicente Binalhay Ang	11	10	558	558	569	568
Independent non-executive Directors						
Mr. Albert Saychuan CHEOK	625	540	—	—	625	540
Dr. Boh Soon LIM	331	280	—	—	331	280
Mr. Thomas Yee Man LAW	334	240	—	—	334	240
	1,301	1,070	558	558	1,859	1,628

There was no arrangement under which a Director waived or agreed to waive any remuneration during the year ended 31st December 2014 (2013: Nil).

During the year ended 31st December 2014, 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 (2013: Nil).

10. FIVE HIGHEST PAID EMPLOYEES

The remuneration of the 5 (2013: 5) highest paid employees are set out below.

	2014 HK$'000	2013 HK$'000
Salaries, allowances and benefits in kind	12,495	7,566

10. FIVE HIGHEST PAID EMPLOYEES (Continued)

The remuneration fell within the following bands:

	Number of employees	
	2014	2013
Nil to HK$1,000,000	**—**	2
HK$1,000,001 to HK$1,500,000	**1**	—
HK$1,500,001 to HK$2,000,000	**2**	2
HK$2,500,001 to HK$3,000,000	**—**	1
HK$3,000,001 to HK$3,500,000	**1**	—
HK$4,000,001 to HK$4,500,000	**1**	—
	5	5

During the year ended 31st December 2014, 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 (2013: Nil).

11. INCOME TAX EXPENSE

	2014	2013
	HK$'000	*HK$'000*
Current tax — Overseas		
Provision for the year	**128,183**	90,246
Underprovision in prior year	**—**	2,822
	128,183	93,068
Deferred tax (Note 22)	**80,677**	(50,261)
Income tax expense	**208,860**	42,807

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 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% (2013: 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:

	2014	2013
	%	%
Indonesian income tax rate	**25**	25
Deferred tax not recognised	**44**	(21)
Non-deductible items	**11**	(44)
Non-taxable items	**(2)**	—
Underprovision in prior year	**—**	(3)
Effective tax rate	**78**	(43)

12. PROFIT/(LOSS) FOR THE YEAR

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

	2014 HK$'000	2013 HK$'000
Amortisation of other intangible assets (Note (a))	19,709	17,268
Acquisition-related costs*	477	—
Depreciation of property, plant and equipment	294,922	250,926
Loss on disposal of property, plant and equipment	18,459	—
Impairment of goodwill#	—	3,448
Impairment of property, plant and equipment*	6,737	3,602
Staff costs, including Directors' remuneration:		
Salaries, allowances and benefits in kind	207,145	241,972
Retirement benefit scheme contributions (defined contribution schemes)	—	133
Provision for employees' benefits	16,022	14,903
	223,167	257,008
Operating lease charges for land and buildings	17,638	15,527
Allowance for impairment of receivables	28,089	35,105
Auditors' remuneration		
Company	735	700
Its subsidiaries	712	593
	1,447	1,293

Note:

(a) Amortisation of other intangible assets of approximately HK$8,392,000 (2013: HK$Nil) and HK$11,317,000 (2013: HK$17,268,000) were included in "Cost of services rendered" and "general and administrative expenses" respectively on the face of the consolidated statement of profit or loss.

\# Included in "Other operating expenses" on the face of the consolidated statement of profit or loss.

* Included in "General and administrative expenses" on the face of the consolidated statement of profit or loss.

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$15,538,000 (2013: HK$79,775,000) 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$66,550,000 (2013: HK$158,682,000) and 5,064,615,385 (2013: 5,064,615,385) ordinary shares in issue during the year.

15. LOSS PER SHARE (Continued)

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary share during the years ended 31st December 2014 and 2013.

16. PROPERTY, PLANT AND EQUIPMENT

	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 2013	111,355	28,254	288,503	1,741,759	125,160	390,369	1,786	2,687,186
Additions	3,688	3,630	190,873	522,202	6,272	264,269	993	991,927
Disposals	—	(1,613)	(148,025)	(474)	(154)	(90,557)	—	(240,823)
Reclassification	—	(245)	2,135	59,472	(61,861)	499	—	—
Translation differences	(24,176)	(6,143)	(67,557)	(452,880)	(18,626)	(107,774)	(521)	(677,677)
At 31st December 2013 and 1st January 2014	90,867	23,883	265,929	1,870,079	50,791	456,806	2,258	2,760,613
Acquisition of subsidiaries (Note 39(a))	—	54,361	720,492	108,665	81,660	102,831	302	1,068,311
Acquisition of remaining interests in an associate (Note 39(b))	—	2,391	42	—	—	459	—	2,892
Additions	7,852	5,432	35,054	250,623	144,097	142,287	—	585,345
Disposals	—	(280)	(24,960)	(335,648)	(861)	(94,160)	(690)	(456,599)
Reclassification	—	(499)	96,732	3,148	(4,616)	(94,765)	—	—
Translation differences	(2,109)	(729)	(10,125)	(31,967)	(7,481)	(6,567)	(10)	(58,988)
At 31st December 2014	96,610	84,559	1,083,164	1,864,900	263,590	506,891	1,860	3,901,574
Accumulated depreciation and impairment losses								
At 1st January 2013	15,627	20,203	143,542	627,162	—	166,296	907	973,737
Charge for the year	6,481	3,297	30,204	133,868	—	76,654	422	250,926
Impairment loss	—	—	3,602	—	—	—	—	3,602
Disposals	—	(1,613)	(12,464)	(135)	—	(5,161)	—	(19,373)
Reclassification	(123)	123	(2,124)	2,124	—	—	—	—
Translation differences	(4,226)	(4,549)	(33,097)	(152,481)	—	(45,523)	(253)	(240,129)
At 31st December 2013 and 1st January 2014	17,759	17,461	129,663	610,538	—	192,266	1,076	968,763
Charge for the year	6,495	3,724	38,142	153,974	—	92,361	226	294,922
Impairment loss	—	—	6,737	—	—	—	—	6,737
Disposals	—	(93)	(5,507)	(335,648)	—	(94,123)	(211)	(435,582)
Reclassification	—	—	16,656	786	—	(17,442)	—	—
Translation differences	(645)	(505)	(5,129)	(3,198)	—	(2,780)	(21)	(12,278)
At 31st December 2014	23,609	20,587	180,562	426,452	—	170,282	1,070	822,562
Carrying amount								
At 31st December 2014	73,001	63,972	902,602	1,438,448	263,590	336,609	790	3,079,012
At 31st December 2013	73,108	6,422	136,266	1,259,541	50,791	264,540	1,182	1,791,850

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

AcrossAsia Group carried out a review of the recoverable amount of its property, plant and equipment in 2013 and 2014, having regard to the modification of the technology of the wireless broadband services and the obsolescence of the office equipment. The review led to the recognition of an impairment loss of approximately HK$6,737,000 (2013: HK$3,602,000) in relation to certain technically obsolete equipment, that has been recognised in profit or loss.

At 31st December 2014 the carrying amount of property, plant and equipment held by AcrossAsia Group under finance leases amounted to approximately HK$143,801,000 (2013: HK$107,625,000).

At 31st December 2014 the carrying amount of property, plant and equipment pledged as security for AcrossAsia Group's interest-bearing borrowings as set out in note 31 to the financial statements amounted to approximately HK$267,946,000 (2013: HK$210,909,000).

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

	2014 ***HK$'000***	2013 *HK$'000*
Medium term leases	**70,676**	70,738
Short term leases	**2,325**	2,370
	73,001	73,108

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 2013	614
Additions	46
At 31st December 2013 and 1st January 2014	660
Write off	(613)
At 31st December 2014	47
Accumulated depreciation	
At 1st January 2013	614
Charge for the year	8
At 31st December 2013 and 1st January 2014	622
Charge for the year	12
Write off	(613)
At 31st December 2014	21
Carrying amount	
At 31st December 2014	26
At 31st December 2013	38

17. INTERESTS IN SUBSIDIARIES

	Company	
	2014	2013
	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	**197,346**	197,054
	638,057	637,765
Less: Impairment losses	**(207,208)**	(206,916)
	430,849	430,849
Market value of listed shares	**1,548,793**	353,605

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.

	Company	
	2014	2013
	HK$'000	*HK$'000*
Due to a subsidiary	**362,502**	362,502

The amount due to a subsidiary, First Media, is unsecured, interest bearing at the prevailing LIBOR plus 4.75% per annum and was due for settlement on 30th June 2012. First Media has commenced arbitration and litigation proceedings against the Company to recover a total amount of US$46,774,403 (equivalent to HK$362,502,000), representing the principal amount of US$44,000,000 together with accrued interest capped at US$2,774,403. Details of the arbitration and litigation proceedings are set out in Note 44 to the financial statements.

17. INTERESTS IN SUBSIDIARIES (Continued)

Particulars of the principal subsidiaries as at 31st December 2014 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
			2014		2013		
			Direct	Indirect	Direct	Indirect	
First Media (Note (a))	Indonesia	Rp871,083,953,500	55.1	—	55.1	—	Operation of broadband communication network
Link Net (Note (a) and (b))	Indonesia	Rp304,264,938,400	—	18.6	—	36.4	Provider of the fixed local packet-switched based network and internet service provider
PT AsiaNet Multimedia	Indonesia	US$1,333,333	95.0	—	95.0	—	Investment holding
PT Cinemaxx Global Pasifik ("Cinemaxx")	Indonesia	Rp100,000,000,000	—	41.3	—	—	Film and video recording and cinema services
PT Delta Nusantara Networks ("DNN")	Indonesia	Rp300,000,000	—	55.1	—	—	Internet service provider
PT First Media News	Indonesia	Rp125,790,000,000 (2013: Rp7,500,000,000)	—	55.1	—	55.1	Film and video recording
PT First Media Production	Indonesia	Rp24,000,000,000 (2013: 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 Internux ("Internux")	Indonesia	Rp726,472,030,000	—	21.7	—	—	Internet service provider
PT Jaring Data Interaktif	Indonesia	Rp35,000,000,000	—	55.1	—	55.1	Broadcasting
PT Lynx Mitra Asia ("Lynx")	Indonesia	Rp2,750,000,000	—	31.4	—	—	Telecommunication
PT Media Sinema Indonesia ("MSI")	Indonesia	Rp5,591,860,492 (2013: Rp3,714,122,000)	—	55.1	—	55.1	Film and video recording
PT Mitra Mandiri Mantap ("MMM")	Indonesia	Rp3,229,000,000	—	38.0	—	—	Trading
PT MSH Niaga Telecom Indonesia ("MSH")	Indonesia	Rp6,250,000,000	—	55.1	—	—	Calling card services
PT Prima Wira Utama ("PWU")	Indonesia	Rp10,000,000,000	—	55.1	—	—	Trading

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

Notes:

(a) First Media and Link Net are listed on the Indonesian Stock Exchange.

(b) Link Net is treated as a subsidiary because First Media has existing rights that give it the power to direct Link Net's relevant activities under the Cooperation Agreement.

(c) None of the subsidiaries had any loan capital in issue at any time during the year ended 31st December 2014 (2013: Nil).

17. INTERESTS IN SUBSIDIARIES (Continued)

The following table shows information of the subsidiaries that have non-controlling interests ("NCI") material to AcrossAsia Group. The summarised financial information represents amounts before inter-company eliminations.

Name	First Media		Link Net		MMM	Internux
	2014	2013	**2014**	2013	**2014**	**2014**
Principal place of business and country of incorporation	Indonesia		Indonesia		**Indonesia**	**Indonesia**
% of ownership interests and voting rights held by NCI	**44.9%**	44.9%	**66.18%**	33.94%	**30.96%**	**43.01%**
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	***HK$'000***
At 31st December:						
Non-current assets	**783,358**	841,627	**1,972,852**	1,691,112	**215,076**	**2,389,515**
Current assets	**339,377**	471,968	**358,121**	357,157	**373,066**	**782,419**
Non-current liabilities	**(59,726)**	(621,724)	**(97,679)**	(157,234)	**—**	**(1,618,747)**
Current liabilities	**(582,390)**	(717,149)	**(343,457)**	(292,416)	**(1,009)**	**(701,090)**
Net assets	**480,619**	(25,278)	**1,889,837**	1,598,619	**587,133**	**852,097**
Accumulated NCI	**215,798**	(11,349)	**1,537,670**	1,016,736	**469,507**	**563,119**
Year ended 31st December						
Revenue	**195,868**	55,064	**1,396,078**	1,223,175	**—**	**—**
(Loss)/profit	**(135,585)**	(242,227)	**364,819**	265,750	**—**	**—**
Total comprehensive income	**(238,185)**	(223,327)	**364,996**	280,206	**—**	**—**
(Loss)/profit allocated to NCI	**(106,945)**	(100,274)	**263,712**	178,214	**—**	**—**
Dividends paid to NCI	**9,321**	—	**—**	—	**—**	**—**
Net cash (used in)/generated from operating activities	**(233,120)**	(174,094)	**750,721**	549,397	**—**	**—**
Net cash generated from/(used in) investing activities	**1,165,046**	(73,648)	**(657,303)**	(640,465)	**—**	**—**
Net cash (used in)/generated from financing activities	**(738,050)**	241,691	**(101,921)**	(240,847)	**—**	**—**
Net increase/(decrease) in cash and cash equivalents	**193,876**	(6,051)	**(8,503)**	(331,915)	**—**	**—**

18. INVESTMENTS IN ASSOCIATES

	AcrossAsia Group	
	2014	2013
	HK$'000	*HK$'000*
Unlisted investments outside Hong Kong:		
Share of net assets	**14,602**	9,244
Goodwill	**69**	2,479
	14,671	11,723

18. INVESTMENTS IN ASSOCIATES (Continued)

Details of AcrossAsia Group's associates as at 31st December 2014 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
			2014		2013		
			Direct	Indirect	Direct	Indirect	
PT Bina Mahasiswa Indonesia	Indonesia	Rp2,750,000,000	—	24.8%	—	24.8%	Operation of students' sports activities
PT Indonesia Media Televisi (Note)	Indonesia	Rp500,000,000,000	—	2.8%	—	5.5%	Operation of satellite television channels

Note: Although AcrossAsia Group holds less than 20% of the equity shares of PT Indonesia Media Televisi, AcrossAsia Group exercises significant influence by virtue of its contractual right to appoint one director to the Board of Directors and one commissioner to the Board of Commissioners of PT Indonesia Media Televisi.

The following table shows, in aggregate, AcrossAsia Group's share of the amounts of all individually immaterial associates that are accounted for using the equity method.

	2014 HK$	2013 HK$
At 31st December:		
Carrying amounts of interests	14,671	11,723
Year ended 31st December:		
Loss for the year	28,279	7,475
Other comprehensive income	—	—
Total comprehensive income	28,279	7,475

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	AcrossAsia Group		Company	
	2014 HK$'000	2013 HK$'000	2014 HK$'000	2013 HK$'000
Equity securities, at fair value				
Listed outside Hong Kong	58,363	67	67	67
Unlisted equity securities, at cost	9,635	9,823	—	—
Less: Impairment losses	(6,505)	(6,632)	—	—
	3,130	3,191	—	—
	61,493	3,258	67	67

The fair values of listed securities are based on current bid prices. Unlisted equity securities with carrying amount of HK$3,130,000 (2013: HK$3,191,000) are carried at cost as they do not have a quoted market price in an active market and their fair value cannot be reliably measured.

20. GOODWILL

	AcrossAsia Group HK$'000
Cost	
At 1st January 2013	3,775
Translation differences	(819)
At 31st December 2013	2,956
Acquisition of subsidiaries (Note 39(a))	89,384
Acquisition of remaining interests in an associate (Note 39(b))	3,428
Translation differences	(210)
At 31st December 2014	95,558
Accumulated impairment losses	
At 1st January 2013	—
Impairment loss	3,448
Translation differences	(492)
At 31st December 2013	2,956
Translation differences	(56)
At 31st December 2014	2,900
Carrying amount	
At 31st December 2014	92,658
At 31st December 2013	—

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

	2014 ***HK$'000***	2013 *HK$'000*
Provision of broadband wireless services:		
MMM	**70,833**	—
Provision of film and video recording and telecommunication services:		
Cinemaxx	**16,427**	—
Lynx	**2,031**	—
PWU	**18**	—
DNN	**3,349**	—
	92,658	—

The recoverable amounts of the CGUs have been determined on the basis of their value in use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rates, growth rates and budgeted gross margin and turnover during the period. AcrossAsia Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGUs operate. Budgeted gross margin and turnover are based on past practices and expectations on market development.

20. GOODWILL (Continued)

AcrossAsia Group prepares cash flow forecasts derived from the most recent financial budgets approved by the Directors for the next five years with the residual period using terminal value growth rate ranging from 0% to 2% (2013: Nil). The rate used to discount the forecasted cash flows from AcrossAsia Group's broadband wireless services, and film and video recording and telecommunication services are 21.5% (2013: Nil) and 24.9% (2013: Nil) respectively.

AcrossAsia Group carried out a review of the recoverable amount of MSI in 2013 with regard to MSI's financial performance. The review led to the recognition of an impairment loss of approximately HK$3,448,000 that has been recognised in profit or loss.

21. OTHER INTANGIBLE ASSETS

AcrossAsia Group

	TV channel brand name	Wireless broadband licences	Application software licences	Customer relationship	Trademark	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost						
At 1st January 2013	7,043	103,536	23,625	—	—	134,204
Additions	—	—	23,305	—	—	23,305
Translation differences	(1,496)	(21,989)	(8,344)	—	—	(31,829)
At 31st December 2013 and 1st January 2014	5,547	81,547	38,586	—	—	125,680
Acquisition of subsidiaries (Note 39(a))	—	662,288	3,227	53,508	235,864	954,887
Additions	—	—	22,269	—	—	22,269
Translation differences	(106)	(1,562)	(1,784)	—	—	(3,452)
At 31st December 2014	5,441	742,273	62,298	53,508	235,864	1,099,384
Accumulated amortisation and impairment						
At 1st January 2013	7,043	32,299	8,512	—	—	47,854
Amortisation for the year	—	9,513	7,755	—	—	17,268
Translation differences	(1,496)	(8,218)	(2,914)	—	—	(12,628)
At 31st December 2013 and 1st January 2014	5,547	33,594	13,353	—	—	52,494
Amortisation for the year	—	8,392	11,317	—	—	19,709
Translation differences	(106)	(1,037)	(787)	—	—	(1,930)
At 31st December 2014	5,441	40,949	23,883	—	—	70,273
Carrying amount						
At 31st December 2014	—	701,324	38,415	53,508	235,864	1,029,111
At 31st December 2013	—	47,953	25,233	—	—	73,186

The weighted average remaining amortisation period of the wireless broadband licence is 5.7 (2013: 5.9) years. The weighted average remaining amortisation period of the application software licences is 3.2 (2013: 3.5) years. The amortisation period of the customer relationship and trademark is 3 (2013: Nil) and 3 (2013: Nil) years respectively.

22. DEFERRED TAX

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

	Property, plant and equipment	Other intangible assets	Allowance for impairment of receivables	Tax losses	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1st January 2013	12,080	—	16,300	90,419	3,788	122,587
(Charge)/credit to profit or loss for the year (Note 11)	(6,657)	—	(5,887)	55,107	7,698	50,261
Translation differences	(1,615)	—	(2,621)	(27,070)	(1,904)	(33,210)
At 31st December 2013 and 1st January 2014	3,808	—	7,792	118,456	9,582	139,638
Acquisition of subsidiaries (Note 39(a))	(62,502)	(207,459)	68	290,020	(311)	19,816
(Charge)/credit to profit or loss for the year (Note 11)	(2,102)	—	334	(82,277)	3,368	(80,677)
Translation differences	24	—	(165)	1,595	(341)	1,113
At 31st December 2014	(60,772)	(207,459)	8,029	327,794	12,298	79,890

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

	AcrossAsia Group	
	2014	2013
	HK$'000	*HK$'000*
Deferred tax assets	**309,610**	139,638
Deferred tax liabilities	**(229,720)**	—
	79,890	139,638

Deferred tax assets that are expected to realise in the next accounting year amounted to approximately HK$4,355,000 (2013: HK$9,367,000).

23. NON-CURRENT PREPAYMENTS, DEPOSITS AND RECEIVABLES

	AcrossAsia Group		Company	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Rental and other deposits	**37,860**	21,225	**—**	—
Prepaid rental for communication system	**71,013**	79,639	**—**	—
Prepaid license fees	**121,920**	—	**—**	—
Advance payments for acquisition of property, plant and equipment	**203,827**	64,706	**—**	—
Loans to employees (Note (a))	**326**	780	**—**	—
Prepaid expenses and others	**2,188**	1,009	**1,391**	623
	437,134	167,359	**1,391**	623
Derivative financial assets				
— Foreign currency forward contracts (Note (b))	**10,295**	—	**—**	—
	447,429	167,359	**1,391**	623

Notes:

(a) The loans to employees are unsecured and interest-free.

(b) The carrying amounts of the foreign currency forward contracts are the same as their fair values. The above transactions involving derivative financial instruments are conducted with creditworthy financial institutions.

During the year, AcrossAsia Group entered into various foreign currency forward contracts to manage its exchange rate exposures. These foreign currency foreign contracts are not designated for hedging purposes and are measured at fair value through profit or loss.

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 the invoice date, and net of allowance for impairment, is as follows:

	AcrossAsia Group	
	2014	2013
	HK$'000	*HK$'000*
1 to 30 days	**77,530**	24,871
31 to 60 days	**24,031**	14,863
61 to 90 days	**4,479**	327,555
More than 90 days	**36,786**	15,767
	142,826	383,056

As at 31st December 2014, an allowance for impairment was made for estimated irrecoverable trade receivables of approximately HK$32,928,000 (2013: HK$31,682,000).

Reconciliation of allowance for impairment of trade receivables is as follows:

	AcrossAsia Group	
	2014	2013
	HK$'000	*HK$'000*
At 1st January	**31,682**	52,303
Allowance for the year	**28,089**	35,105
Amounts written off	**(26,144)**	(46,202)
Translation differences	**(699)**	(9,524)
At 31st December	**32,928**	31,682

24. TRADE RECEIVABLES (Continued)

At 31st December 2014, trade receivables of approximately HK$41,246,000 (2013: HK$23,136,000) 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	
	2014	2013
	HK$'000	*HK$'000*
61 to 90 days	**4,479**	7,369
More than 90 days	**36,767**	15,767
	41,246	23,136

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

	2014	2013
	HK$'000	*HK$'000*
Indonesian Rupiah	**142,826**	379,336
United States dollar ("US$")	**—**	3,720
	142,826	383,056

At 31st December 2014, 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$10,151,000 (2013: HK$1,317,000). These balances are unsecured, interest-free and are repayable principally in accordance with normal trading terms.

At 31st December 2014, trade receivables of approximately HK$42,254,000 (2013: HK$88,509,000) were pledged to banks to secure interest-bearing borrowings as set out in Note 31 to the financial statements.

25. DUE FROM A RELATED COMPANY

The amount due from a related company of AcrossAsia Group and the Company is unsecured, interest-free and have no fixed terms of repayment.

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

26. PREPAYMENTS, DEPOSITS AND OTHER CURRENT ASSETS

	AcrossAsia Group		Company	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Deposits	**—**	28	**—**	28
Prepaid annual license fees	**165,093**	67,122	**—**	—
Prepaid operating expenses	**65,683**	19,460	**836**	495
Prepaid taxes	**172,196**	41,347	**—**	—
Other receivables	**138,040**	25,729	**94**	7,929
	541,012	153,686	**930**	8,452

At 31st December 2013, other receivables of AcrossAsia Group and the Company included an amount due from an independent third party of approximately HK$5,140,000 which was unsecured, interest-free and repayable within one year.

27. 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 2014, the bank and cash balances of AcrossAsia Group denominated in Indonesian Rupiah amounted to approximately HK$365,087,000 (2013: HK$238,300,000).

At 31st December 2014, bank and cash balances of the Company of approximately HK$164,000 (2013: HK$188,000) were frozen by the Receivers appointed by the Indonesian Court pursuant to a bankruptcy order made against the Company. Details of the arbitration and litigation proceedings are set out in Note 44 to the financial statements.

28. SHARE CAPITAL

	2014	2013
	HK$'000	*HK$'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.

28. SHARE CAPITAL (Continued)

AcrossAsia Group reviews its 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.

AcrossAsia Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Total debt comprises borrowings (except for bank overdrafts), bond payable, notes payable and obligations under finance leases. Adjusted capital comprises all components of equity (i.e. share capital, retained profits and other reserves) except for non-controlling interests.

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.

29. RESERVES

(a) AcrossAsia Group

The amounts of AcrossAsia Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other 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 2013	414,318	(430,292)	(15,974)
Total comprehensive income for the year	—	(79,775)	(79,775)
At 31st December 2013 and 1st January 2014	414,318	(510,067)	(95,749)
Total comprehensive income for the year	—	(15,538)	(15,538)
At 31st December 2014	414,318	(525,605)	(111,287)

(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.

30. EMPLOYEES' BENEFITS OBLIGATIONS

AcrossAsia Group operates a defined benefit pension plan pursuant to the labour law of Indonesia that provides pension benefits for employees upon retirement, death, disability, voluntary resignation, change of ownership of AcrossAsia Group entities, redundancy and receivership. The plan is a final salary pension plan, which provides benefits to members in the form of a guaranteed level of pension payable in a lump sum. The level of benefits provided depends on members' length of service and their salary in the final years. Pensions in payment are generally updated in line with the consumer price index.

The amount of employees' benefits obligations recognised in the consolidated statement of financial position is as follows:

	AcrossAsia Group	
	2014	2013
	HK$'000	*HK$'000*
Present value of defined benefits obligations	**60,165**	43,177

Movements in AcrossAsia Group's employees' benefits obligations during the year are as follows:

	2014	2013
	HK$'000	*HK$'000*
At 1st January	**43,177**	56,333
Amounts recognised in profit or loss:		
Current service cost	**12,247**	15,045
Past service cost and gains and losses from settlement	**—**	(3,057)
Interest expense	**3,775**	2,915
Remeasurements recognised in other comprehensive income:		
Actuarial gains arising from changes in financial assumptions	**(432)**	(15,876)
Payments from the plan	**(4,620)**	(417)
Acquisition of subsidiaries (Note 39(a))	**7,336**	—
Translation differences	**(1,318)**	(11,766)
At 31st December	**60,165**	43,177

The principal actuarial assumptions adopted by AcrossAsia Group as at 31st December 2014 (expressed as weighted average) are as follows:

	2014	2013
Discount rate	**8.3%**	9.0%
Salary growth rate	**9.1%**	9.2%

30. EMPLOYEES' BENEFITS OBLIGATIONS (Continued)

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience. The mortality rates are as follows:

Age	2014	2013
25	**0.00085**	0.00085
30	**0.00076**	0.00076
35	**0.00091**	0.00091
40	**0.00153**	0.00153
45	**0.00279**	0.00279
50	**0.00538**	0.00538
55	**0.00961**	0.00961

Through its defined benefit pension plans, AcrossAsia Group is exposed to a number of risks, the most significant of which are detailed below:

Risk	Description
Changes in bond yields	A decrease in corporate bond yields will increase plan liabilities.
Inflation risk	The majority of the plans' benefits obligations are linked to inflation, and higher inflation will lead to higher liabilities.

AcrossAsia Group's sensitivity analysis for each significant actuarial assumption as of the end of the reporting period based on reasonably possible changes of the relevant actuarial assumption is as follows:

	Increase/ (decrease) in rate	Increase/(decrease) of defined benefits obligations	
		2014	2013
		HK$'000	*HK$'000*
Discount rate	2%/(2%)	**(10,924)/14,711**	(8,122)/10,948
Salary growth rate	2%/(2%)	**14,302/(11,039)**	9,944/(7,754)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefits obligations to significant actuarial assumptions the same method (present value of the defined benefits obligations calculated with the PUCM at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

AcrossAsia Group finances the funding requirements of the pension plan by internal resources and does not have any funding arrangements and funding policy that will affect future contributions.

30. EMPLOYEES' BENEFITS OBLIGATIONS (Continued)

The weighted average duration of AcrossAsia Group's defined benefits obligations is approximately 15.41 (2013: 15.47) years. The maturity analysis of AcrossAsia Group's undiscounted benefit payments is as follows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31st December 2014					
Pension payments	**4,432**	**468**	**9,363**	**562,847**	**577,110**
At 31st December 2013					
Pension payments	4,196	1,108	9,894	589,598	604,796

31. INTEREST-BEARING BORROWINGS

	AcrossAsia Group		Company	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Bank loans:				
Secured	**330,004**	60,130	**—**	—
Unsecured	**448,991**	177,706	**—**	—
	778,995	237,836	**—**	—
Other borrowings:				
Secured	**141,280**	148,967	**—**	—
Unsecured	**398,235**	178,025	**93,000**	93,000
	539,515	326,992	**93,000**	93,000
Bank overdrafts — unsecured	**4,699**	—	**—**	—
	1,323,209	564,828	**93,000**	93,000

31. INTEREST-BEARING BORROWINGS (Continued)

Interest-bearing borrowings are repayable as follows:

	AcrossAsia Group		Company	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Bank loans:				
Within one year	**74,880**	142,910	**—**	—
In the second year	**60,610**	30,889	**—**	—
In the third to fifth years, inclusive	**643,505**	64,037	**—**	—
	778,995	237,836	**—**	—
Other borrowings:				
Within one year	**266,174**	255,018	**93,000**	93,000
In the second year	**230,482**	46,142	**—**	—
In the third to fifth years, inclusive	**42,859**	25,832	**—**	—
	539,515	326,992	**93,000**	93,000
Bank overdrafts	**4,699**	—	**—**	—
	1,323,209	564,828	**93,000**	93,000
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(345,753)**	(397,928)	**(93,000)**	(93,000)
Amount due for settlement after 12 months	**977,456**	166,900	**—**	—

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

	AcrossAsia Group		Company	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Bank loans:				
US$	**382,881**	—	**—**	—
Indonesian Rupiah	**396,114**	237,836	**—**	—
	778,995	237,836	**—**	—
Other borrowings:				
US$	**528,954**	230,243	**93,000**	93,000
Indonesian Rupiah	**10,561**	96,749	**—**	—
	539,515	326,992	**93,000**	93,000
Bank overdrafts:				
Indonesian Rupiah	**4,699**	—	**—**	—

31. INTEREST-BEARING BORROWINGS (Continued)

The effective interest rates were as follows:

	AcrossAsia Group		Company	
	2014	2013	**2014**	2013
Bank loans:				
US$	**4%**	—	**—**	—
Indonesian Rupiah	**11.0%–14.0%**	11.0%–12.2%	**—**	—
Other borrowings:				
US$	**1.0%–4.8%**	1.3%–5.0%	**2.3%**	1.3%
Indonesian Rupiah	**14.5%**	13.8%–14.5%	**—**	—
Bank overdrafts	**15%**	—	**—**	—

At 31st December 2014, AcrossAsia Group's interest-bearing borrowings were secured by:

(a) the charge over certain property, plant and equipment (Note 16) and trade receivables (Note 24) of AcrossAsia Group;

(b) the charge over certain land use rights of the subsidiaries' directors; and

(c) the corporate guarantee of a subsidiary and non-controlling shareholder of a subsidiary.

32. NOTES PAYABLE

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

33. BOND PAYABLE

	AcrossAsia Group	
	2014	2013
	HK$'000	*HK$'000*
At beginning of year	**467,946**	588,280
Interest charged	**2,408**	5,375
Settlement	**(484,005)**	—
Translation differences	**13,651**	(125,709)
At end of year	**—**	467,946

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 was secured by the shares of Link Net and interest bearing at 1% per annum. In June 2014, the bond payable was fully settled.

34. FINANCE LEASE PAYABLES

AcrossAsia Group

	Minimum lease payments		Present value of minimum lease payments	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Within one year	**37,939**	44,353	**15,222**	33,906
In the second to fifth years, inclusive	**154,765**	104,529	**132,292**	81,226
	192,704	148,882	**147,514**	115,132
Less: Future finance charges	**(45,190)**	(33,750)		
Present value of lease obligations	**147,514**	115,132		
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(15,222)**	(33,906)		
Amount due for settlement after 12 months	**132,292**	81,226		

The average lease term is 3 years (2013: 3 years). At 31st December 2014, the weighted average effective borrowing rate is 15.0% (2013: 15.0%). 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.

AcrossAsia Group's finance lease payables are secured by the lessor's title to the leased assets.

35. 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 (2013: HK$4,000,000) which bears interest at Hong Kong dollar prime lending rate plus 1% per annum and is repayable within twelve months from the end of the reporting period.

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

36. TRADE PAYABLES

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

	AcrossAsia Group	
	2014	2013
	HK$'000	*HK$'000*
1 to 30 days	**323,635**	90,089
31 to 60 days	**37,918**	10,824
61 to 90 days	**57,687**	8,914
More than 90 days	**108,920**	133,259
	528,160	243,086

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

	2014	2013
	HK$'000	*HK$'000*
Indonesian Rupiah	**201,433**	102,599
US$	**326,660**	140,487
Euro	**67**	—
	528,160	243,086

At 31st December 2014, 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$164,908,000 (2013: HK$97,202,000). These balances are unsecured, interest-free and are repayable principally in accordance with normal trading terms.

37. OTHER PAYABLES AND ACCRUALS

	AcrossAsia Group		Company	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Customers' deposits	**5,767**	105,137	**—**	—
Other payables	**137,690**	8,706	**14,724**	—
Accrued expenses	**341,068**	153,083	**19,845**	25,820
Other tax payables	**20,329**	12,728	**—**	—
	504,854	279,654	**34,569**	25,820

38. DERIVATIVE FINANCIAL LIABILITIES

	AcrossAsia Group	
	2014	2013
	HK$'000	*HK$'000*
Issued during the year	**18,691**	—
Translation differences	**(877)**	—
At 31st December	**17,814**	—

On 29th October 2014, First Media granted option rights to a third party investor to purchase 108,014,400 shares of Link Net (representing 3.55% equity interests in Link Net) which would be exercisable from the date of completion of the private placement (details refer to Note 39(c)) and not later than twelve months from 29th October 2014.

The option is measured at its fair value at the date of issue and at the end of each reporting period. The fair values are estimated using Black-Scholes Model (level 2 fair value measurements). The key assumptions used are as follows:

	31st December 2014
Share price — Link Net	**Rp4,920**
Expected volatility	**29.30%**
Expected life (years)	**0.82**
Risk free rate	**7.04%**
Expected dividend yield	**0%**

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Acquisition of subsidiaries

In June 2014, AcrossAsia Group acquired 100% of the issued share capital of Lynx at a total consideration of HK$1,777,000. Lynx was engaged in the provision of telecommunication services.

In December 2014, AcrossAsia Group acquired 100%, 100%, 75% and 69% of the issued share capital of MSH, PWU, Cinemaxx and MMM at considerations of HK$3,893,000, HK$934,000, HK$46,719,000 and HK$833,095,000 respectively. MSH and PWU were engaged in the provision of calling card services and trading respectively. Cinemaxx was engaged in filming and video recording and cinema services. MMM and its subsidiary, Internux, (collectively referred to as "MMM Group") were engaged in the provision of internet services.

The acquisitions are further strategic measures taken by AcrossAsia Group to grow its core businesses in broadband and telecommunications with view to increase its market share in the segment.

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(a) Acquisition of subsidiaries (Continued)

The fair value of the identifiable assets and liabilities of Lynx, MSH, PWU, Cinemaxx and MMM Group acquired as at the date of acquisition are as follows:

	Lynx	MSH	PWU	Cinemaxx	MMM Group	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Net assets acquired:						
Property, plant and equipment	—	1,093	14,404	145,597	907,217	1,068,311
Other intangible assets	—	—	—	—	954,887	954,887
Deferred tax assets	—	—	—	7,316	242,220	249,536
Non-current prepayments, deposits and other receivables	—	610	3,301	7,700	496,027	507,638
Trade receivables	1,568	2,947	282	429	42,467	47,693
Prepayments, deposits and other current assets	4,296	4,860	1,495	268	513,333	524,252
Bank and cash balances	300	3,639	1,152	7,935	134,662	147,688
Employees' benefits obligations	—	—	(199)	(876)	(6,261)	(7,336)
Interest-bearing borrowings	(5,765)	—	—	(102,693)	(906,139)	(1,014,597)
Finance lease payables	—	—	—	—	(104,010)	(104,010)
Trade payables	(712)	(2,035)	(3,647)	(2,767)	(441,539)	(450,700)
Receipts in advance	—	—	(2,801)	—	(7,546)	(10,347)
Other payables and accruals	(16)	(1,101)	(13,014)	(20,148)	(132,152)	(166,431)
Current tax payable	—	(120)	(57)	(2,371)	(1,097)	(3,645)
Deferred tax liabilities	—	—	—	—	(229,720)	(229,720)
	(329)	9,893	916	40,390	1,462,349	1,513,219
Non-controlling interests	—	—	—	(10,098)	(700,087)	(710,185)
Gain on bargain purchase in respect of business combination	—	(6,000)	—	—	—	(6,000)
Goodwill	2,106	—	18	16,427	70,833	89,384
	1,777	3,893	934	46,719	833,095	886,418
Satisfied by:						
Cash	1,777	3,893	934	46,719	535,588	588,911
Trade receivables	—	—	—	—	297,507	297,507
	1,777	3,893	934	46,719	833,095	886,418
Net cash outflow arising on acquisition:						
Cash consideration paid						(588,911)
Cash and cash equivalents acquired						147,688
						(441,223)

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(a) Acquisition of subsidiaries (Continued)

AcrossAsia Group recognised a gain on bargain purchase of approximately HK$6,000,000 in the business combination of MSH. The business combination results in a gain on bargain purchase because the former shareholders of MSH were desirous to dispose of their interests in MSH. The approach of AcrossAsia Group coincided with their exit strategy which was difficult to implement due to the absence of an open market for similar private companies in Indonesia. Therefore, AcrossAsia Group was able to negotiate a price below the estimated fair value of MSH's net assets acquired and the business combination resulted in a gain on bargain purchase.

The non-controlling interests in Cinemaxx recognised at the acquisition date were measured by the non-controlling shareholder's proportionate share of the net fair value of the identifiable assets and liabilities of Cinemaxx at the acquisition date.

The fair value of the non-controlling interests in MMM and Internux, unlisted companies, were estimated by applying a market approach and an income approach. The fair value estimates are based on:

(i) an assumed discount rate of 17.7%;

(ii) an assumed long term sustainable growth rate of 2%;

(iii) assumed financial multiples of companies deemed to be similar to Internux; and

(iv) assumed adjustments because of the lack of control or lack of marketability that market participants would consider when estimating the fair value of the non-controlling interests in MMM and Internux.

The goodwill arising on the acquisition of Lynx, PWU, Cinemaxx and MMM are attributable to the anticipated future operating synergies, revenue growth, future market development from the business combinations and the assembled workforce of Internux.

The contribution of turnover and results for the year to AcrossAsia Group by the business combinations for the period between the date of acquisition and the end of the reporting period are as follows:

	Lynx	MSH	PWU	Cinemaxx	MMM Group	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	8,865	—	—	—	—	8,865
Profit	337	—	—	—	—	337

If the acquisition had been completed on 1st January 2014, total AcrossAsia Group revenue for the year would have been approximately HK$1,924,122,000, and loss for the year would have been approximately HK$730,170,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of AcrossAsia Group that actually would have been achieved had the acquisition been completed on 1st January 2014, nor is intended to be a projection of future results.

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Acquisition of remaining interests in an associate

In November 2014, First Media acquired additional 50.17% of the issued share capital of DNN at a total consideration of approximately HK$3,292,000. DNN was engaged in the provision of internet services during the year. The acquisition is for the purpose of enhancing AcrossAsia Group's broadband internet services.

The fair value of the identifiable assets and liabilities of DNN acquired as at the date of acquisition are as follows:

	HK$'000
Net assets acquired:	
Property, plant and equipment	2,892
Trade receivables	427
Prepayments, deposits and other current assets	1,117
Bank and cash balances	241
Interest-bearing borrowings	(510)
Finance lease payables	(3,152)
Trade payables	(436)
Receipts in advance	(32)
Other payables and accruals	(761)
Current tax payable	(57)
	(271)
Investments in an associate	135
Goodwill	3,428
	3,292
Satisfied by:	
Cash	3,292
Net cash outflow arising on acquisition:	
Cash consideration paid	(3,292)
Cash and cash equivalents acquired	241
	(3,051)

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

DNN contributed approximately HK$748,000 to AcrossAsia Group's revenue for the year for the period between the date of acquisition and the end of the reporting period. DNN contributed approximately HK$628,000 to AcrossAsia Group's profit for the year for the period between the date of acquisition and the end of the reporting period.

If the acquisition had been completed on 1st January 2014, total AcrossAsia Group revenue for the year would have been approximately HK$1,558,823,000 and profit for the year would have been approximately HK$59,837,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of AcrossAsia Group that actually would have been achieved had the acquisition been completed on 1st January 2014, nor is intended to be a projection of future results.

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(c) Changes in interests in a subsidiary without loss of control

During the year, First Media completed the initial public offering ("IPO") of its 304,265,000 shares in Link Net. Trading of Link Net's shares on the Indonesia Stock Exchange commenced on 2nd June 2014.

On 21st March 2011, First Media granted an option (the "Option") to the non-controlling shareholder of Link Net (or its designee) in respect of 458,248,815 option shares in the capital of Link Net. On 2nd June 2014, the non-controlling shareholder of Link Net exercised the Option.

On 3rd November 2014, First Media completed the private placements by selling 226,677,000 shares of Link Net to various third party investors. In addition, First Media granted option rights to a third party investor to purchase 108,014,400 shares of Link Net (representing 3.55% of equity interests in Link Net) which would be exercisable from the date of completion of the private placement and not later than twelve months from 29th October 2014.

Following completion of the above transactions, First Media's shareholding in Link Net reduced from 66.06% to 33.55% and AcrossAsia Group's effective interest in Link Net reduced from 36.40% to 18.49%. As explained in Note 4(c), Link Net is treated as a subsidiary because First Media has existing rights that give it the power to direct Link Net's relevant activities under the Cooperation Agreement. The effect of the disposal on the equity attributable to the owners of the Company is as follows:

	HK$'000
Net assets in the subsidiary disposed of	1,079,924
Cash consideration received	(1,200,095)
Settlement of bond payable	(484,005)
Difference recognised directly in equity	(604,176)
Net cash inflow arising on disposal:	
Cash consideration received	(1,200,095)

In December 2014, First Media acquired 8,270,000 shares in Link Net at a total consideration of approximately HK$28,198,000. First Media's shareholding in Link Net increased to 33.82% and AcrossAsia Group's effective interest in Link Net increased to 18.63%.

The effect of the acquisition on equity attributable to the owners of the Company is as follows:

	HK$'000
Net assets in the subsidiary acquired of	14,818
Cash consideration paid	(26,875)
Difference recognised directly in equity	(12,057)
Net cash outflow arising on acquisition:	
Cash consideration paid	26,875

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(d) Deemed disposal of partial interest in a subsidiary

During the year ended 31st December 2013, First Media issued 270,929 ordinary shares upon the exercise of warrants by its non-controlling shareholders. The Company's equity interests in First Media was diluted from 55.11% to 55.10%. The effect of the deemed disposal on equity attributable to the owners of the Company is as follows:

	HK$'000
Net assets in the subsidiary disposed of	191
Cash consideration received	(161)
Difference recognised directly in equity	30
Net cash inflow arising on disposal:	
Cash consideration received	161

(e) Disposal of partial interest in an associate

In January 2013, Link Net disposed of 5% interests in the associate, PT Indonesia Media Televisi.

	HK$'000
Share of net assets in the associate disposed of	1,382
Goodwill	27
Gain on disposal of partial interest in an associate	165
Total consideration — satisfied by cash	1,574
Net cash inflow arising on disposal:	
Cash consideration received	1,574

(f) Major non-cash transactions

During the year ended 31st December 2014, additions to property, plant and equipment of approximately HK$20,370,000 (2013: HK$135,093,000) were financed by finance leases.

40. FINANCIAL RISK MANAGEMENT

AcrossAsia Group's activities expose it to a variety of financial risks: credit risk, foreign currency risk, interest rate risk, liquidity risk and price risk. AcrossAsia Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on AcrossAsia Group's financial performance. AcrossAsia Group also monitors the market price risk arising from all financial instruments.

(a) Credit risk

The carrying amount of the bank and cash balances, trade and other receivables and investments included in the consolidated statement of financial position represents AcrossAsia Group's maximum exposure to credit risk in relation to AcrossAsia Group's financial assets.

AcrossAsia Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

The credit risk on bank and cash balances is limited because the counterparties are well-established financial institutions.

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.

(b) Foreign currency risk

AcrossAsia Group has certain exposure to foreign currency risk as some of its business transactions, assets and liabilities are denominated in currencies other than the functional currency of respective AcrossAsia Group entities, such as US$. AcrossAsia Group enters into foreign currency forward contracts to mitigate foreign currency risk arising from borrowings denominated in US$.

At 31st December 2014, if Indonesian Rupiah had weakened/strengthened by 10% (2013: 20%) against US$ with all other variables held constant, consolidated profit (2013: loss) after tax for the year would have been approximately HK$80,519,000 (2013: HK$40,428,000) lower/higher (2013: higher/lower), arising mainly as a result of the foreign exchange loss/gain on borrowings denominated in US$.

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 Indonesian Rupiah. The imposition of any such exchange controls may adversely affect the ability of AcrossAsia Group to exchange Indonesian Rupiah denominated revenue into US$ or other foreign currency denominated liabilities and may adversely affect AcrossAsia Group's financial condition.

40. FINANCIAL RISK MANAGEMENT (Continued)

(c) Interest rate risk

AcrossAsia Group's exposure to interest-rate risk arises from its bank deposits and borrowings. AcrossAsia Group's bank deposits of approximately HK$34,758,000 (2013: HK$71,844,000) bear interest at fixed interest rates and therefore are subject to fair value interest rate risks.

AcrossAsia Group's cash flow interest rate risk primarily relates to variable-rate borrowings of HK$785,815,000 (2013: HK$235,249,000) which bear interest at variable rates varied with then prevailing market condition.

At 31st December 2014, if interest rates at that date had been 100 basis points lower/higher with all other variables held constant, consolidated profit (2013: loss) after tax for the year would have been HK$5,894,000 (2013: HK$1,764,000) higher/lower (2013: lower/higher), arising mainly as a result of lower/higher interest expense on bank and other borrowings.

(d) Liquidity risk

AcrossAsia Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer-term.

The maturity analysis of AcrossAsia Group's financial liabilities is as follows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
As at 31st December 2014				
Bank loans	**84,239**	**69,662**	**813,221**	**967,122**
Other borrowings	**279,952**	**247,136**	**47,588**	**574,676**
Finance lease payables	**37,939**	**74,292**	**80,473**	**192,704**
Due to related companies	**22,545**	**—**	**—**	**22,545**
Trade payables	**528,160**	**—**	**—**	**528,160**
Other payables and accruals	**434,421**	**—**	**—**	**434,421**
As at 31st December 2013				
Bank loans	159,452	38,453	88,948	286,853
Other borrowings	273,091	50,751	29,797	353,639
Notes payable	3,558	—	—	3,558
Finance lease payables	44,353	56,317	48,212	148,882
Due to related companies	4,240	—	18,662	22,902
Trade payables	243,086	—	—	243,086
Other payables and accruals	266,926	—	—	266,926

40. FINANCIAL RISK MANAGEMENT (Continued)

(e) Price risk

AcrossAsia Group's available-for-sale financial assets and derivative financial liabilities are measured at fair value at the end of each reporting period. Therefore, AcrossAsia Group is exposed to equity securities price risk.

Sensitivity analysis

(i) Available-for-sale financial assets

At 31st December 2014, if the share price of the investments had increased/decreased by 10% with all other variables held constant, other comprehensive income for the year would be approximately HK$5,847,000 (2013: HK$Nil) higher/lower respectively, arising as a result of the fair value gain/loss on the investments.

(ii) Derivative financial liabilities

At 31st December 2014, if the share price of Link Net had increased/decreased by 10% with all other variables held constant, consolidated profit after tax would be approximately HK$13,778,000/HK$9,241,000 (2013: HK$Nil/HK$Nil) lower/higher arising as a result of the fair value loss/gain, respectively, on the derivative financial liabilities.

(f) Categories of financial instruments at 31st December

	AcrossAsia Group	
	2014	2013
	HK$'000	*HK$'000*
Financial assets:		
Loans and receivables (including cash and cash equivalents)	**740,357**	681,706
Available-for-sale financial assets	**61,493**	3,258
Financial assets at fair value through profit or loss:		
Derivative financial assets	**10,295**	—
Financial liabilities:		
Financial liabilities at fair value through profit or loss:		
Derivative financial liabilities	**17,814**	—
Financial liabilities at amortised cost	**2,308,095**	1,100,679

(g) Fair values

Except as disclosed in Note 41 to the consolidated financial statements, 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.

41. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The disclosures of fair value measurements should use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that AcrossAsia Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

(a) Disclosures of level in fair value hierarchy at 31st December:

	Fair value measurement using:			2014
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Recurring fair value measurements:				
Assets:				
Financial assets at fair value through profit or loss				
Derivative financial assets	**—**	**10,295**	**—**	**10,295**
Available-for-sale financial assets				
Listed equity investments	**58,363**	**—**	**—**	**58,363**
Liabilities:				
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	**—**	**17,814**	**—**	**17,814**

	Fair value measurement using:			2013
Description	Level 1	Level 2	Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Recurring fair value measurements:				
Available-for-sale financial assets				
Listed equity investments	67	—	—	67

AcrossAsia Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

41. FAIR VALUE MEASUREMENTS (Continued)

(b) Disclosure of valuation process used by AcrossAsia Group and valuation techniques and inputs used in fair value measurements at 31st December 2014:

AcrossAsia Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

Level 2 fair value measurements

			Fair value	
			2014	2013
Description	**Valuation technique**	**Inputs**	***HK$'000***	*HK$'000*
Derivative financial assets	Discounted cash flows	Forward exchange rate		
		Contract forward rate		
		Discount rate	**10,295**	—
Derivative financial liabilities	Black–Scholes Model	Share price		
		Expected volatility	**17,814**	—

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	
	2014	2013
	HK$'000	*HK$'000*
Data communication services:		
— PT Visionet Internasional	**1,462**	1,804
— Yayasan Pendidikan Pelita Harapan	**—**	1,354
Purchases of equipment:		
— PT Multipolar Technology Tbk	**96,095**	112,450
Insurance expenses		
— PT Lippo General Insurance Tbk	**1,233**	1,413
Interest paid		
— PT Ciptadana Multifinance	**23,783**	19,284

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

43. LEASE COMMITMENTS

At 31st December 2014 the total future minimum lease payments under a non-cancellable operating lease are payable as follows:

	AcrossAsia Group		Company	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Within one year	—	76	—	76

Operating lease payments represented rentals payable by AcrossAsia Group for its office. Lease was negotiated for a term of one year and rentals were fixed over the lease term and did not include contingent rentals.

44. GARNISHEE AND RELATED PROCEEDINGS

Litigation

Garnishee and related proceedings

There has not been much development in the legal proceedings in which the Company is directly involved. The Company sets out below the updates and relevant announcements made previously for shareholders' reference.

Hong Kong Garnishee Proceedings

Reference is made to the Company's announcements of 25th June 2014, 18th February 2015, 24th February 2015, 4th March 2015 and 12th May 2015.

On 25th June 2014, 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 ("Unconditional Stay of Execution") granting an unconditional stay of execution of the garnishee order absolute dated 31st October 2013 ("Garnishee Order Absolute") pending determination of the application by First Media to set aside the judgment dated 9th December 2010 ("First Media's Hong Kong 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 five arbitration awards made by the Singapore International Arbitration Centre ("SIAC Awards"). 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. In its decision dated 25th June 2014, the Court of Appeal expressed that:

"In our view it will indeed be remarkable if, despite the Singapore Court of Appeal judgment on the invalidity of the arbitration awards, Astro will still be able to enforce a judgment here based on the same arbitration awards that were made without jurisdiction."

44. GARNISHEE AND RELATED PROCEEDINGS (Continued)

Litigation (Continued)

Hong Kong Garnishee Proceedings (Continued)

On 9th July 2014, Astro paid the said costs of HK$100,000.

First Media's Setting Aside Application was heard by the Hong Kong Court from 8th to 11th December 2014 and on 17th February 2015, the Hong Kong Court delivered its decision dismissing First Media's Setting Aside Application (the "Decision"). On 2nd March 2015, First Media filed three summonses seeking amongst other things, for directions whether leave to appeal is required in respect of the Decision and for leave if so required, variation of the costs order and an extension of the Unconditional Stay of Execution until determination of First Media's appeal to the Court of Appeal against the Decision. All three of First Media's summonses have been fixed for hearing on 20th October 2015.

On 4th March 2015, the Company filed a summons ("the Company's Stay Application") seeking an order for an extension of the Unconditional Stay of Execution (or a new stay of execution of the Garnishee Order Absolute) pending final determination of the Company's appeal filed on 27th November 2013 against the Garnishee Order Absolute ("its Appeal") and/or final determination of any appeal brought by First Media against the Decision. The Company's Stay Application was on 16th March 2015 ordered by the Honourable Madam Justice Chan to be consolidated with First Media's aforesaid three summonses to be heard together on the same day and in the meantime, the Company has been granted an Interim Stay of Execution of the Garnishee Order Absolute dated 31st October 2013 pending substantive hearing of the Company's Stay Application. On 30th March 2015, the Company's Stay Application has been fixed for substantive hearing on 20th October 2015.

In addition, on 4th March 2015, the Company has filed a supplementary (amended) notice of appeal in respect of its Appeal. The Company will seek the first available Court of Appeal date for hearing of its Appeal.

44. GARNISHEE AND RELATED PROCEEDINGS (Continued)

Litigation (Continued)

Singapore Court of Appeal's Decision

Reference is made to the Company's announcements dated 4th and 28th November 2013. As would be recalled, the Singapore Court of Appeal has on 31st October 2013, allowed First Media's appeal against the enforcement of the SIAC Awards. The Singapore Court of Appeal decided that all the SIAC Awards which the Astro Group is seeking to enforce against First Media are not enforceable against First Media, save for the award for the sum of US$608,176.54, GBP22,500 and S$65,000 in favour of the 1st to 5th Astro Group parties only, and that the Astro Group shall pay First Media's costs for the Singapore Court of Appeal hearing and the Singapore Court hearing below. As the parties were unable to agree on the terms of the order to be drawn up pursuant to the Singapore Court of Appeal's decision dated 31st October 2013, the Astro Group and First Media sought assistance from the Singapore Court of Appeal. In its decision on 11th September 2014, the Singapore Court of Appeal reiterated its decision dated 31st October 2013 that the joinder of the 6th to 8th Astro Group parties to the arbitration by the arbitration tribunal was improper and as a consequence, all the SIAC Awards were unenforceable by the 6th to 8th Astro Group parties as against First Media. The Court of Appeal further confirmed the terms of the order that only the sums of US$608,176.54, GPB22,500 and S$65,000 are payable by First Media to the Astro Group. As would be recalled, as stated in the Company's update announcement dated 28th November 2013, the said sums have been fully paid by First Media. Accordingly there is no longer any further payment due by First Media to the Astro Group under the SIAC Awards. Further, First Media has applied to the Singapore Court for assessment of legal costs of the Singapore Court proceedings including the appeal to be paid by the Astro Group to First Media. The Singapore Court had on 4th November 2014 awarded First Media with costs and disbursements of S$392,196.12. Astro Group and First Media have on 18th November 2014 lodged their respective appeals against the order dated 4th November 2014 awarding the said costs and disbursements of S$392,196.12. The appeals against the costs awarded have yet to be heard by the Singapore Court. In addition, First Media has applied to the Singapore High Court for assessment of damages to be paid by the Astro Group to First Media arising from the Mareva Injunction obtained by the Astro Group against First Media during the course of the Singapore Court proceedings. The Singapore Court had on 20th January 2014 confirmed that the Mareva Injunction ceased to be effective from 31st October 2013. The application for assessment of damages is pending hearing by the Singapore Court.

The Board believes that the Singapore Court of Appeal's decision dated 11th September 2014 is highly favorable to the First Media as it is clear that First Media no longer needs to make any further payment to the Astro Group under the SIAC Awards.

44. GARNISHEE AND RELATED PROCEEDINGS (Continued)

Litigation (Continued)

Appeal against Indonesian Bankruptcy Order

Reference is made to the Company's third 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 third 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.

45. EVENTS AFTER THE REPORTING PERIOD

The following is a summary of events after the reporting period, details of which are set out in Note 44 to the financial statements:

(a) Upon the hearing on 17th February 2015, the Hong Kong Court delivered its Decision dismissing First Media's Setting Aside Application.

(b) On 2nd March 2015, First Media filed three summonses seeking amongst other things, for directions whether leave to appeal is required in respect of the Decision and for leave if so required, variation of the costs order and an extension of the Unconditional Stay of Execution until determination of First Media's appeal to the Court of Appeal against the Decision. All three of First Media's summonses have been fixed for hearing on 20th October 2015.

(c) On 4th March 2015, the Company filed the Company's Stay Application seeking an order for an extension of the Unconditional Stay of Execution (or a new stay of execution of the Garnishee Order Absolute) pending final determination of its Appeal filed on 27th November 2013 against the Garnishee Order Absolute and/or final determination of any appeal brought by First Media against the Decision. The Company's Stay Application was on 16th March 2015 ordered by the Honourable Madam Justice Chan to be consolidated with First Media's aforesaid three summonses to be heard together on the same day and in the meantime, the Company has been granted an Interim Stay of Execution of the Garnishee Order Absolute dated 31st October 2013 pending substantive hearing of the Company's Stay Application. On 30th March 2015, the Company's Stay Application has been fixed for substantive hearing on 20th October 2015.

(d) On 4th March 2015, the Company has filed a supplementary (amended) notice of appeal in respect of its Appeal. The Company will seek the first available Court of Appeal date for hearing of its Appeal.

46. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 26th May 2015.

AcrossAsia Limited