AcrossAsia Limited

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

Half-year Report 2015

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

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

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

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

Address: 11th Floor, Kwan Chart Tower, 6 Tonnochy Road, Wanchai, Hong Kong
Tel: (852) 2149 9913 Fax: (852) 2868 2340 Website: www.across-asia.com
Stock Code: 8061

HALF-YEAR REPORT 2015

For the six months ended 30th June 2015

HIGHLIGHTS

- AcrossAsia Group's turnover increased by 28.9% to HK$1,002.5 million compared to HK$777.7 million for the same period in 2014, mainly contributed by the growth of its existing businesses and the acquisition of new wireless and cinema businesses in the fourth quarter of 2014.
- Internet and cable TV subscribers increased by 7.8% in the first six months of 2015 and cable coverage has now surpassed 1,550,000 homes.
- AcrossAsia Group has added more than 300,000 subscribers since its acquisition of the wireless business. Total subscribers have now reached 1,352,000.
- AcrossAsia Group's cinema business is now operating 11 cinema complexes with a total of 61 screens.
- AcrossAsia Group's gross profit decreased by 17.0% to HK$510.1 million from HK$614.2 million and its gross margin decreased to 50.9% from 79.0% for the same period in 2014, mainly attributable to the high costs of tower rental following the acquisition of the wireless business and providing complimentary communication devices to increase market share of this business.
- AcrossAsia Group recorded a loss from operations of HK$269.1 million compared to a profit of HK$167.5 million for the same period in 2014, mainly due to the decrease in gross profit, depreciation and amortisation of intangible assets of and the high marketing and operating costs of the newly acquired wireless and cinema businesses. The Group also incurred exchange losses arising from its substantial Indonesian currency denominated assets. However, the loss was reduced significantly to HK$91.8 million in the second quarter of 2015 from HK$177.3 million in the first quarter of 2015, mainly due to increased revenue and the stabilization of the Indonesian currency.
- Overall, AcrossAsia Group recorded a loss attributable to the owners of the Company of HK$114.1 million compared to HK$11.5 million for the same period in 2014. Loss for the second quarter of 2015 was HK$32.7 million compared to HK$81.4 million for the first quarter of 2015.
- The AcrossAsia Group continues to be burdened by the high legal costs arising from its litigations in Hong Kong and Indonesia and the weak Indonesian currency.

HALF-YEAR RESULTS (UNAUDITED)

The Directors of AcrossAsia Limited (the "Company") announce the unaudited condensed consolidated financial statements (the "Financial Statements") of the Company and its subsidiaries (collectively "AcrossAsia Group") for the six months ended 30th June 2015 (the "Half-year period") together with comparative figures for the corresponding period ended 30th June 2014 as follows:

Condensed Consolidated Statement of Profit or Loss of AcrossAsia Group

		Six months ended 30th June		Three months ended 30th June	
		2015	2014	**2015**	2014
	Note	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Turnover	*3*	**1,002,531**	777,698	**514,644**	396,399
Cost of sales and services rendered		**(492,428)**	(163,486)	**(242,026)**	(86,099)
Gross profit		**510,103**	614,212	**272,618**	310,300
Interest income		**6,570**	6,035	**3,266**	3,487
Other income/(expenses)		**191**	(17)	**191**	44
Net foreign exchange (losses)/ gains		**(80,597)**	4,326	**(16,783)**	(13,825)
Selling and distribution expenses		**(96,288)**	(50,267)	**(43,961)**	(21,410)
General and administrative expenses		**(609,063)**	(406,819)	**(307,165)**	(216,767)
(Loss)/profit from operations	*4*	**(269,084)**	167,470	**(91,834)**	61,829
Finance costs		**(65,833)**	(37,637)	**(40,852)**	(18,607)
Share of results of associates		**(12,599)**	(9,827)	**(3,689)**	(5,203)
(Loss)/profit before tax		**(347,516)**	120,006	**(136,375)**	38,019
Income tax credit/(expense)	*5*	**57,939**	(62,437)	**88,736**	(28,406)
(Loss)/profit for the period		**(289,577)**	57,569	**(47,639)**	9,613
(Loss)/profit attributable to:					
Owners of the Company	*6*	**(114,112)**	(11,511)	**(32,709)**	(15,034)
Non-controlling interests		**(175,465)**	69,080	**(14,930)**	24,647
		(289,577)	57,569	**(47,639)**	9,613
Loss per share attributable to owners of the Company					
Basic (HK cents)	*6*	**(2.25)**	(0.23)	**(0.65)**	(0.30)
Diluted (HK cents)	*6*	**N/A**	N/A	**N/A**	N/A

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

	Six months ended 30th June		Three months ended 30th June	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
(Loss)/profit for the period	**(289,577)**	57,569	**(47,639)**	9,613
Other comprehensive income:				
Items that may be reclassified to profit or loss:				
Exchange differences on translating foreign operations	**(225,617)**	(4,214)	**(56,789)**	(88,678)
Revaluation of available-for-sale financial assets	**200**	—	**200**	—
Item that may not be reclassified to profit or loss:				
Remeasurement losses on defined benefit pension plans	**(1,325)**	—	**(1,325)**	—
Total comprehensive income for the period	**(516,319)**	53,355	**(105,553)**	(79,065)
Total comprehensive income attributable to:				
Owners of the Company	**(161,903)**	(12,365)	**(44,894)**	(32,221)
Non-controlling interests	**(354,416)**	65,720	**(60,659)**	(46,844)
	(516,319)	53,355	**(105,553)**	(79,065)

Condensed Consolidated Statement of Financial Position of AcrossAsia Group

	Note	(Unaudited) As at 30th June 2015 HK$'000	(Audited) As at 31st December 2014 HK$'000
Non-current assets			
Property, plant and equipment	7	**3,219,223**	3,079,012
Investments in associates		**1,556**	14,671
Available-for-sale financial assets		**57,514**	61,493
Goodwill		**86,266**	92,658
Other intangible assets		**901,780**	1,029,111
Deferred tax assets		**411,717**	309,610
Non-current prepayments, deposits and receivables		**405,187**	447,429
		5,083,243	5,033,984
Current assets			
Trade receivables	8	**147,649**	142,826
Due from a related company		**2**	2
Prepayments, deposits and other current assets		**446,927**	541,012
Bank and cash balances		**275,957**	421,303
		870,535	1,105,143
TOTAL ASSETS		**5,953,778**	6,139,127
CAPITAL AND RESERVES			
Share capital		**50,646**	50,646
Reserves		**222,248**	384,151
Equity attributable to owners of the Company		**272,894**	434,797
Non-controlling interests		**2,618,181**	2,808,815
Total equity		**2,891,075**	3,243,612
Non-current liabilities			
Employees' benefits obligations		**71,533**	60,165
Interest-bearing borrowings		**882,710**	977,456
Finance lease payables		**89,330**	132,292
Due to a related company		**17,040**	18,305
Deferred tax liabilities		**213,843**	229,720
		1,274,456	1,417,938
Current liabilities			
Interest-bearing borrowings		**617,027**	345,753
Finance lease payables		**43,248**	15,222
Due to a related company		**4,000**	4,000
Trade payables	9	**487,242**	528,160
Receipts in advance		**8,544**	24,022
Other payables and accruals		**594,624**	504,854
Financial liabilities		**16,582**	17,814
Current tax payable		**16,980**	37,752
		1,788,247	1,477,577
Total Liabilities		**3,062,703**	2,895,515
TOTAL EQUITY AND LIABILITIES		**5,953,778**	6,139,127
Net current liabilities		**(917,712)**	(372,434)
Total assets less current liabilities		**4,165,531**	4,661,550

Condensed Consolidated Statement of Changes in Equity of AcrossAsia Group

	Attributable to owners of the Company							
	Issued capital	Share premium	Investment revaluation reserve	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$'000*	*HK$'000*
At 1st January 2014	50,646	414,318	—	(144,775)	(380,708)	(60,519)	987,303	926,784
Total comprehensive income and changes in equity for the period	—	—	—	(854)	(11,511)	(12,365)	65,720	53,355
Changes in non-controlling interests without change in control (Note 10)	—	—	—	—	192,200	192,200	614,125	806,325
Dividend declared and paid to non-controlling shareholders of subsidiary	—	—	—	—	—	—	(9,453)	(9,453)
At 30th June 2014	50,646	414,318	—	(145,629)	(200,019)	119,316	1,657,695	1,777,011
At 1st January 2015	**50,646**	**414,318**	**—**	**(174,919)**	**144,752**	**434,797**	**2,808,815**	**3,243,612**
Total comprehensive income and changes in equity for the period	**—**	**—**	**110**	**(47,171)**	**(114,842)**	**(161,903)**	**(354,416)**	**(516,319)**
Changes in non-controlling interests without change in control (Note 10)	**—**	**—**	**—**	**—**	**—**	**—**	**163,782**	**163,782**
At 30th June 2015	**50,646**	**414,318**	**110**	**(222,090)**	**29,910**	**272,894**	**2,618,181**	**2,891,075**

Condensed Consolidated Statement of Cash Flows of AcrossAsia Group

	Six months ended 30th June	
	2015	2014
	HK$'000	*HK$'000*
Net cash (outflow)/inflow from operating activities	**(39,432)**	272,162
Net cash (outflow)/inflow from investing activities	**(448,640)**	2,555
Net cash inflow/(outflow) from financing activities	**378,116**	(121,315)
Net (decrease)/increase in cash and cash equivalents	**(109,956)**	153,402
Cash and cash equivalents, beginning of period	**421,303**	250,886
Effect of foreign exchange rate changes	**(35,390)**	1,238
Cash and cash equivalents, end of period	**275,957**	405,526
Analysis of balances of cash and cash equivalents		
Bank and cash balances	**275,957**	405,526

Notes:

1. Basis of preparation and accounting policies

The interim financial statements are unaudited, condensed and have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and the applicable disclosures required by the GEM Listing Rules. They should be read in conjunction with the Annual Report 2014 of the Company (the "Annual Report").

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

The audit committee has reviewed the Financial Statements.

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

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

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

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.

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. 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.

2. Adoption of new and revised International Financial Reporting Standards

In the current period, AcrossAsia Group has adopted all the new and revised International Financial Reporting Standards ("IFRSs") that are relevant to its operations and effective for its accounting year beginning on 1st January 2015. IFRSs comprise International Financial Reporting Standards, International Accounting Standards ("IAS") and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to AcrossAsia Group's accounting policies, presentation of AcrossAsia Group's financial statements and amounts reported for the current period and prior years.

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

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

3. Turnover and segment information

	Six months ended 30th June		**Three months ended 30th June**	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Subscription fees for cable television	**266,489**	247,757	**136,379**	129,784
Subscription fees for fast speed broadband Internet	**329,713**	302,509	**166,572**	155,408
Data communication	**233,542**	63,124	**121,453**	27,907
Media sales	**29,500**	31,664	**17,744**	17,896
Sale of communication devices	**50,357**	—	**15,145**	—
Cinema revenue	**37,621**	—	**25,834**	—
Others	**55,309**	132,644	**31,517**	65,404
	1,002,531	777,698	**514,644**	396,399

AcrossAsia Group has four 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
Cinema services	—	provision of film and video recording and cinema services
Others	—	provision of telecommunication and other services

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 telecommunication and other 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.

3. Turnover and segment information (Continued)

The accounting policies of the reportable segments are the same as those described in Note 1 to the financial statements. Segment profits or losses do not include share of losses of associates, interest 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	Broadband wireless services	Cinema services	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Six months ended 30th June 2015					
Revenue from external customers	**720,383**	**204,854**	**37,621**	**39,673**	**1,002,531**
Intersegment revenue	**17,406**	**100,039**	**—**	**2,162**	**119,607**
Segment profit/(loss)	**196,840**	**(371,961)**	**(30,033)**	**(6,791)**	**(211,945)**
Interest revenue	**4,993**	**1,334**	**70**	**171**	**6,568**
Interest expense	**2,445**	**53,812**	**6,713**	**1,488**	**64,458**
Depreciation and amortisation	**141,171**	**203,968**	**10,253**	**4,249**	**359,641**
Income tax expense/(credit)	**65,200**	**(117,946)**	**(5,193)**	**—**	**(57,939)**
As at 30th June 2015					
Segment assets	**2,321,135**	**3,152,723**	**311,197**	**93,128**	**5,878,183**
Segment liabilities	**451,687**	**2,020,844**	**210,296**	**75,637**	**2,758,464**
Six months ended 30th June 2014					
Revenue from external customers	661,500	98,776	—	17,422	777,698
Intersegment revenue	12,011	8,827	—	7,940	28,778
Segment profit/(loss)	194,282	(72,759)	—	(7,859)	113,664
Interest revenue	5,459	498	—	73	6,030
Interest expense	5,580	23,839	—	1,591	31,010
Depreciation and amortisation	119,892	26,099	—	2,579	148,570
Income tax expense/(credit)	63,157	862	—	(1,576)	62,443
As at 31st December 2014					
Segment assets	2,244,187	3,522,711	185,671	71,776	6,024,345
Segment liabilities	437,668	1,989,996	128,854	39,683	2,596,201
Investments in associates	12,999	—	—	—	12,999

3. Turnover and segment information (Continued)

Reconciliations of reportable segments' revenue and profit or loss:

	Six months ended 30th June	
	2015	2014
	HK$'000	*HK$'000*
Revenue		
Total revenue of reportable segments	**1,122,138**	806,476
Elimination of intersegment revenue	**(119,607)**	(28,778)
Consolidated revenue	**1,002,531**	777,698
Profit or loss		
Total profit or loss of reportable segments	**(211,945)**	113,664
Share of losses of associates	**(12,599)**	(9,827)
Interest income	**6,570**	6,035
Finance costs	**(65,833)**	(37,637)
Corporate administrative expenses	**(5,770)**	(14,666)
Consolidated (loss)/profit for the period	**(289,577)**	57,569

Reconciliations of reportable segments' assets and liabilities:

	(Unaudited) as at 30th June 2015	(Audited) as at 31st December 2014
	HK$'000	*HK$'000*
Assets		
Total assets of reportable segments	**5,878,183**	6,024,345
Investments in associates	**1,556**	14,671
Available-for-sale financial assets	**57,514**	61,493
Corporate assets for general administrative use	**16,525**	38,618
Consolidated total assets	**5,953,778**	6,139,127
Liabilities		
Total liabilities of reportable segments	**2,758,464**	2,596,201
Derivative financial liabilities	**16,582**	17,814
Corporate liabilities	**287,657**	281,500
Consolidated total liabilities	**3,062,703**	2,895,515

Geographical information

All the revenue generated by AcrossAsia Group for the two periods ended 30th June 2015 and 2014 was attributable to customers based in Indonesia. In addition, the majority of AcrossAsia Group's non-current assets as at 30th June 2015 and 31st December 2014 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 Nil (2014: HK$97,939,000) or Nil (2014: 12.6%) of AcrossAsia Group's total revenue.

4. Profit from operations

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

	Six months ended 30th June		Three months ended 30th June	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Depreciation and amortisation	**359,649**	148,679	**184,447**	76,730
Bad debt expense/ provision for doubtful debts	**19,582**	12,794	**10,503**	6,713
Net (gain)/loss on disposal of property, plant and equipment	**(105)**	484	**(105)**	4

5. Income tax (credit)/expense

	Six months ended 30th June		Three months ended 30th June	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Current tax — overseas	**68,185**	64,986	**35,344**	32,111
Deferred tax benefit	**(126,124)**	(2,549)	**(124,080)**	(3,705)
	(57,939)	62,437	**(88,736)**	28,406

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 (2014: Nil).

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

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

6. Loss per share

The calculation of basic loss per share attributable to the owners of the Company is based on the loss attributable to the owners of the Company for the Half-year period of HK$114,112,000 (2014: HK$11,511,000) and 5,064,615,385 ordinary shares in issue for the Half-year period and the corresponding period in 2014.

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary shares for the Half-year period and the corresponding period in 2014.

7. Property, plant and equipment

During the Half-year period, AcrossAsia Group spent approximately HK$666,320,000 (2014: HK$311,461,000) on acquisition of property, plant and equipment and disposed of property, plant and equipment at net book value of HK$83,088,000 (2014: HK$80,732,000).

8. 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.

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

	As at 30th June 2015	As at 31st December 2014
	HK$'000	*HK$'000*
1 to 30 days	**70,492**	77,530
31 to 60 days	**23,638**	24,031
61 to 90 days	**18,099**	4,479
More than 90 days	**35,420**	36,786
	147,649	142,826

As at 30th June 2015, trade receivables of AcrossAsia Group included receivables from certain related companies of HK$10,041,000 (as at 31st December 2014: HK$10,151,000). The balances were unsecured, interest-free and are repayable principally in accordance with normal trading terms.

9. Trade payables

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

	As at 30th June 2015	As at 31st December 2014
	HK$'000	*HK$'000*
1 to 30 days	**118,061**	323,635
31 to 60 days	**16,858**	37,918
61 to 90 days	**10,609**	57,687
More than 90 days	**341,714**	108,920
	487,242	528,160

As at 30th June 2015, trade payables of AcrossAsia Group included payables to certain related companies of HK$73,269,000 (as at 31st December 2014: HK$164,908,000). The balances were unsecured, interest-free and are repayable principally in accordance with normal trading terms.

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

During the Half-year period, new shares were issued by the Group's subsidiaries to non-controlling shareholders of its wireless and cinema businesses and generated over HK$160 million in total. Subsequent to the transactions, AcrossAsia Group continued to hold controlling interests in these operating subsidiaries.

During the previous period, First Media completed the initial public offering of its shares in PT Link Net Tbk ("Link Net"), representing 10% of Link Net's issued share capital, and generated over HK$800 million consideration in total.

11. Capital commitments

The Company had no capital commitments as at 30th June 2015 and 31st December 2014.

12. Material changes

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

13. Comparative Figures

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

14. Litigation

Garnishee and related proceedings

There has not been much development in the legal proceedings in which the Company is directly involved since the litigation note in the Company's First Quarterly Report 2015. The Company sets out below the updates and relevant announcements made previously for shareholders' easy reference.

Hong Kong Garnishee Proceedings

Reference is made to the Company's First Quarterly Report 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."

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

14. Litigation (Continued)

Hong Kong Garnishee Proceedings (Continued)

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 for, amongst other things, directions as to 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" or "AAL's 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 pending substantive hearing of the Company's Stay Application on 20th October 2015.

On 4th March 2015, the Company filed a supplementary (amended) notice of appeal in respect of its Appeal. As noted in the Company's First Quarterly Report 2015, the Company filed an application to the Court of Appeal to fix a hearing date for its Appeal. On 6th July 2015, the parties appeared before Master Lai for a directions hearing to determine how AAL's Appeal should proceed. After hearing submissions from respective counsel representing the Company, Astro and First Media, the Master reserved judgment to a later date to be advised.

Hong Kong Market Misconduct Tribunal ("MMT") Proceedings

Reference is made to the Company's announcement dated 27th July 2015.

The Securities and Futures Commission (the "SFC") announced on 22nd July 2015 that it has commenced proceedings in the MMT against the Company together with its independent non-executive Chairman, Mr Albert Saychuan Cheok and Chief Executive Officer, Mr Vicente Binalhay Ang (collective the "Directors").

In summary, the SFC alleges that the Company and the Directors had delayed in issuing an announcement regarding the institution of certain legal proceedings against the Company in Indonesia during the period between 4th January 2013 to 15th January 2013. The Company issued the announcement on 17th January 2013.

The Company and the Directors are in the process of considering the SFC's allegations and seeking legal advice.

14. Litigation (Continued)

Singapore Court of Appeal's Decision

Reference is made to the Company's First Quarterly Report 2015. 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, GBP22,500 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 are fixed for hearing on 22nd October 2015. 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 has been fixed for hearing on 31st August 2015.

As noted in the Company's First Quarterly Report 2015, the Board believes that the Singapore Court of Appeal's decision dated 11th September 2014 is highly favorable to 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.

Appeal against Indonesian Bankruptcy Order

Reference is made to the Company's First Quarterly Report 2015. The Company has still yet to receive an official notice of dismissal of the Company's appeal to the Supreme Court of Indonesia (the "Appeal") against the Indonesian bankruptcy order made against the Company on 5th March 2013 (the "Indonesian Bankruptcy Order"). The Company's Indonesian lawyer has advised that the Company is entitled to make a final appeal (which can only be made after the receipt of an official notice of dismissal from the Supreme Court of Indonesia) by way of a petition for judicial review against the decision of the Supreme Court of Indonesia of 31st July 2013 (the "Judicial Review").

As stated in the Company's First Quarterly Report 2015, 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.

The Company has sought further legal opinion from its Indonesian lawyers with regards other avenue(s) if any, that the Company may pursue to lodge the Company's petition for Judicial Review in view of the long delay in obtaining official notification of dismissal of the Appeal from the Supreme Court of Indonesia. However, the Company has been advised that the Company would have to wait until obtaining official notification of the dismissal of its Appeal together with a judgment before lodging its petition for Judicial Review.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Half-year period (2014: Nil).

FINANCIAL REVIEW

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

Turnover

AcrossAsia Group's turnover increased by 28.9% to HK$1,002.5 million compared to HK$777.7 million for the same period in 2014 mainly contributed by the increase in demand for broadband Internet and network services by HK$197.6 million to HK$563.2 million compared to HK$365.6 million in the same period in 2014 and cable TV services by HK$18.7 million to HK$266.5 million compared to HK$247.8 million in the same period in 2014. Furthermore, the wireless and cinema businesses acquired in the forth quarter of 2014 also generated HK$50.4 million device sales and HK$37.6 million cinema revenue.

Gross Profit

AcrossAsia Group's gross profit decreased by 17.0% to HK$510.1 million from HK$614.2 million and its gross profit margin decreased to 50.9% from 79.0% for the same period in 2014 mainly attributable to the high costs of tower rental following the acquisition of the wireless business and subscriber acquisition costs of providing complimentary communication devices to increase market share of this business.

(Loss)/Profit from Operations

AcrossAsia Group recorded a loss from operations of HK$269.1 million compared to a profit of HK$167.5 million for the same period in 2014 mainly due to the decrease in gross profit, depreciation and amortisation of intangible assets of and the high marketing and operating costs of the newly acquired wireless and cinema businesses, and exchange losses of HK$80.6 million (2014: gains of HK$4.3 million). Total operating expenses (excluding other income and expenses) increased to HK$705.4 million from HK$457.1 million for the same period in 2014.

However, the loss was reduced significantly to HK$91.8 million in the second quarter of 2015 from HK$177.3 million in the first quarter of 2015, mainly due to increased revenue and the stabilization of the Indonesian currency.

Loss attributable to Owners

AcrossAsia Group recorded a loss attributable to the owners of the Company of HK$114.1 million compared to HK$11.5 million for the same period in 2014. Loss for the second quarter of 2015 was HK$32.7 million compared to HK$81.4 million for the first quarter of 2015.

BUSINESS REVIEW

Multimedia services and broadband network services

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 200 Mbps with minimum subscription fees at Rp3,039,000 per month. With 200 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 119 SD (standard definition) channels of local and international TV plus 65 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 Rp389,000 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 30th June 2015, its HFC Network has passed more than 1,550,000 homes. This HFC network covers major residential and central business districts in Greater Metropolitan Jakarta and other prime cities in Indonesia such as Surabaya and Bali. As at 30th June 2015, the number of cable TV subscribers and broadband Internet subscribers continued their increase trend reaching over 392,000 and over 420,000 respectively. The network already covers the prominent areas of Jabodetabek (Jakarta, Bogor, Depok, Tangerang and Bekasi), Surabaya and Bandung.

Broadband wireless services

First Media Group continues to roll out its high speed BWA (Broadband Wireless Access) business, which utilizes the 4G LTE-TDD (Long Term Evolution — Time Division Duplex) technology on the 2.3 Ghz frequency for internet users in Jakarta, Bogor, Depok, Tangerang, Bekasi and North Sumatera under the tradename Bolt! Super 4G LTE. 4G LTE can provide speeds of up to 100 Mbps and customers can easily access content that requires wide bandwidth such as streaming video, movies on demand and so on. To use these services, mobile wifi modems, USB modems, home routers, and powerphones are several types of user devices being offered by the Group to the customers.

The Group launched BOLT! Thunder (prepaid) at the end of 2013. BOLT! Thunder packages offered data packets with a total of 8GB which is bundled with the modem, valid for 30 days (for the main quota) with download speeds up to 100 Mbps and can be recharged at any time through leading banks (ATM, Transfer), convenience stores (7-Eleven, Indomaret and others), electronic retail stores or use of a credit card online. The package offered start from Rp25,000 for 3GB to Rp200,000 for 26GB.

For Premium BOLT! (postpaid), customers can enjoy unlimited internet service by paying a fixed monthly fee. With speeds of up to 100Mbps, customers get up to 20–30GB fair usage and thereafter free internet service with a speed of 64Kbps. If customers want to continue to enjoy high-speed Internet, then through the BOLT! Website, they may at any time purchase additional data packets (booster) in accordance with their needs. Each Premium BOLT! customer automatically gets a free modem device with a minimum contract period of up to 12 months. Package offered has a minimum subscription fee of Rp149,000 per month depending on the type of user device and additional data packets (booster).

The Group has initiated and developed the Bolt! Corporate Solution which is aimed at businesses and other commercial users. It provides communications and information technology solutions by combining internet services provided by the network BOLT! with additional features or solutions required by commercial business clients.

First Media Group aims 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. As at 30th June 2015, the number of wireless customers reached 1,352,000.

Cinema services

Cinemaxx was established to develop and operate modern, state-of-the-art multiplex cinemas. With more than 2,000 screens planned across Indonesia over the next 10 years, Cinemaxx is poised to be one of Indonesia's largest and most preferred motion picture exhibitors.

Cinemaxx complexes are 100% digital. Moviegoers can experience 2D and 3D feature films, documentaries, and alternative content in unmatched picture brightness and unparalleled audio fidelity. A Cinemaxx regular ticket costs a minimum of Rp15,000 depending on location, film and date/times/seasons.

As part of Cinemaxx's commitment to provide patrons with a distinctive movie entertainment experience, Cinemaxx is proud to offer Ultra XD and Cinemaxx Gold.

Ultra XD, the giant-screen format of Cinemaxx, offers moviegoers a truly immersive cinematic experience. With an ultra wide 25-meter screen and dual-stack projection system coupled with Ultra XD's customized theater geometry and powerful, digital audio system, moviegoers can experience ultimate movie immersion like never before. Minimum ticket price is Rp45,000 depending on location, film and date/times/seasons.

Cinemaxx Gold, the VIP cinema offering of Cinemaxx, allows guests to view the season's biggest hits while enjoying first-class dining — from gourmet snacks and entrees to luscious desserts — served by attendants on call. Unlike conventional cinema auditoriums, guests at Cinemaxx Gold enjoy lavish, twin-motor leather recliners, where they can recline and lift their feet at the push of a button. Minimum ticket price is Rp45,000 depending on location, film and date/time/seasons.

Besides Maxximum Movie Experience, Cinemaxx provides supporting facilities at its cinema complexes. Maxx Coffee in the Cinemaxx lobbies offers a wide variety of premium drinks for customers to enjoy while waiting for their movies, including coffee extracted from premium coffee beans, tea, cocoa, frappe, blended cream and smoothie fruit juice. Book lovers can enjoy a selection of books, magazines and toys at Books & Beyond. Last but not least, Cinemaxx Games is ready to fulfill a moviegoer's entertainment needs.

As of 30th June 2015, Cinemaxx owned and operated 11 cinema complexes with a total of 61 screens.

PROSPECTS

Indonesia's economic growth during the Half-year Period was mainly due to strong domestic consumption and foreign and domestic investment. This positive trend is expected to continue through 2015. The substantial expansion and enhancement of AcrossAsia Group's broadband Internet, cable TV and the 4G service networks and services 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. First Media Group would not only focus just on one business field, but would also strengthen its structure in the TMT area.

FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Half-year period, AcrossAsia Group purchased property, plant and equipment, purchased intangible assets and repaid loans and debts with issue of shares to non-controlling interests of over HK$160 million, proceeds from disposal of property, plant and equipment of HK$6.7 million and raised from loans and borrowings of HK$451.2 million. It utilised an aggregate amount of HK$651.4 million for the above activities but still retained cash and cash equivalents of HK$276.0 million as at 30th June 2015. It had current assets of HK$870.5 million as at 30th June 2015. Total interest-bearing borrowings including loans and finance lease payables increased by HK$161.6 million to HK$1,632.3 million as at 30th June 2015 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 Half-year period, 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 6.0 times as at 30th June 2015 compared to 3.4 times as at 30th June 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 Half-year period, 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.

EMPLOYEES

As at 30th June 2015, AcrossAsia Group had approximately 2,000 employees. For the Half-year period, staff costs (including Directors' emoluments) amounted to approximately HK$92.3 million. The remuneration, promotion and salary review of the employees are assessed based on job responsibilities, work performance, professional experiences and prevailing industry practices. Benefits include incentive bonus and training schemes.

DISCLOSURE OF INTERESTS IN SECURITIES

Directors and Chief Executive

As at 30th June 2015, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares (in respect of positions held pursuant to equity derivatives) and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as notified to the Company and the Stock Exchange under Rule 5.46 of the GEM Listing Rules or as otherwise required by Rule 23.07 of the GEM Listing Rules were as follows:

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

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

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

Long Position in Underlying Shares of the Company and Associated Corporations

(i) Physically settled equity derivatives

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

(ii) Cash settled and other equity derivatives

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

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

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

Substantial Shareholders

As at 30th June 2015, 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 30th June 2015, no other persons had any interests or short positions in the shares or underlying shares (in respect of positions held pursuant to equity derivatives) of the Company according to the registers required to be kept by the Company under the SFO.

COMPETING INTERESTS

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

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

AUDIT COMMITTEE

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

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

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

CORPORATE GOVERNANCE CODE

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

SECURITIES TRANSACTIONS BY THE DIRECTORS

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

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

Hong Kong, 7th August 2015