



ACROSS ASIA LIMITED

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

Third Quarterly Report 2015

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

THIRD QUARTERLY REPORT 2015

For the nine months ended 30th September 2015

HIGHLIGHTS

AcrossAsia Group's turnover increased by 26.0% to HK\$1,500.2 million compared to HK\$1,190.8 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 12.2% in the first nine months of 2015 and cable coverage has now surpassed 1,600,000 homes.

AcrossAsia Group has added more than 370,000 subscribers since its acquisition of the wireless business. Total subscribers have now reached 1,335,000.

AcrossAsia Group's cinema business is now operating 11 cinema complexes with a total of 61 screens.

AcrossAsia Group's gross profit decreased by 20.5% to HK\$745.1 million from HK\$937.7 million and its gross margin decreased to 49.7% from 78.7% 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\$483.6 million compared to a profit of HK\$278.5 million for the same period in 2014, mainly due to the decrease in gross profit, depreciation and amortisation of intangible assets and the high marketing and operating costs of the newly acquired wireless and cinema businesses. The Group also incurred exchange losses of HK\$184.1 million arising from its substantial Indonesian currency denominated assets.

Overall, AcrossAsia Group recorded a loss attributable to the owners of the Company of HK\$201.1 million compared to HK\$10.7 million for the same period in 2014.

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.

THIRD QUARTERLY RESULTS (UNAUDITED)

The Directors of AcrossAsia Limited (the “Company”) announce the unaudited condensed consolidated statement of profit or loss and condensed consolidated statement of profit or loss and other comprehensive income (the “Financial Statements”) of the Company and its subsidiaries (collectively “AcrossAsia Group”) for the nine months ended 30th September 2015 (the “Nine-month Period”) together with comparative figures for the corresponding period ended 30th September 2014 as follows:

Condensed Consolidated Statement of Profit or Loss of AcrossAsia Group

	Note	Nine months ended 30th September		Three months ended 30th September	
		2015	2014	2015	2014
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	3	1,500,198	1,190,846	497,667	413,148
Cost of sales and services rendered		(755,133)	(253,167)	(262,705)	(89,681)
Gross profit		745,065	937,679	234,962	323,467
Interest income		8,528	10,001	1,958	3,966
Other income/(expenses)		188	(476)	(3)	(459)
Net exchange (losses)/gains		(184,141)	71	(103,544)	(4,255)
Selling and distribution expenses		(139,177)	(72,094)	(42,889)	(21,827)
General and administrative expenses		(914,066)	(596,681)	(305,003)	(189,862)
(Loss)/profit from operations		(483,603)	278,500	(214,519)	111,030
Finance costs		(103,802)	(45,483)	(37,969)	(7,846)
Share of results of associates		(12,311)	(16,335)	288	(6,508)
(Loss)/profit before tax		(599,716)	216,682	(252,200)	96,676
Income tax credit/(expense)	4	100,986	(94,394)	43,047	(31,957)
(Loss)/profit for the period		(498,730)	122,288	(209,153)	64,719
(Loss)/profit attributable to:					
Owners of the Company	5	(201,058)	(10,653)	(86,946)	858
Non-controlling interests		(297,672)	132,941	(122,207)	63,861
		(498,730)	122,288	(209,153)	64,719
(Loss)/profit per share attributable to owners of the Company					
Basic (HK cents)	5	(3.97)	(0.21)	(1.72)	0.02
Diluted (HK cents)	5	N/A	N/A	N/A	N/A

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

	Nine months ended 30th September		Three months ended 30th September	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
(Loss)/profit for the period	(498,730)	122,288	(209,153)	64,719
Other comprehensive income:				
<i>Items that may be reclassified to profit or loss:</i>				
Exchange differences on translating foreign operations	(486,118)	(34,306)	(260,501)	(30,092)
Revaluation of available-for-sale financial assets	25,032	—	24,832	—
<i>Item that may not be reclassified to profit or loss:</i>				
Remeasurement (losses)/profits on defined benefit pension plans	(102)	—	1,223	—
Total comprehensive income for the period	(959,918)	87,982	(443,599)	34,627
Total comprehensive income attributable to:				
Owners of the Company	(282,594)	(18,818)	(120,691)	(6,453)
Non-controlling interests	(677,324)	106,800	(322,908)	41,080
	(959,918)	87,982	(443,599)	34,627

Notes:

1. Basis of preparation and accounting policies

The unaudited condensed consolidated statement of profit or loss and condensed consolidated statement of profit or loss and other comprehensive income (the “Financial Statements”) have been prepared in accordance with 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.

1. Basis of preparation and accounting policies (Continued)

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.

2. Adoption of new and revised International Financial Reporting Standards (Continued)

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

	Nine months ended		Three months ended	
	30th September		30th September	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Subscription fees for cable television	401,574	382,778	135,085	135,021
Subscription fees for fast speed broadband Internet	487,685	444,693	157,972	142,184
Data communication	357,108	98,644	123,566	35,520
Media sales	42,258	46,200	12,758	14,536
Sale of communication devices	63,898	—	13,541	—
Cinema revenue	64,243	—	26,622	—
Others	83,432	218,531	28,123	85,887
	1,500,198	1,190,846	497,667	413,148

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

3. Turnover and 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 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.

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.

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

3. Turnover and segment information (Continued)

Information about reportable segment's profit or loss:

	Multimedia services and broadband network services HK\$'000	Broadband wireless services HK\$'000	Cinema services HK\$'000	Others HK\$'000	Total HK\$'000
Nine months ended 30th September 2015					
Revenue from external customers	1,073,399	305,513	64,243	57,043	1,500,198
Intersegment revenue	25,846	153,948	—	2,112	181,906
Segment profit/(loss)	277,469	(600,963)	(44,712)	(12,409)	(380,615)
Interest revenue	6,715	1,443	164	203	8,525
Interest expense	3,503	84,134	11,776	2,286	101,699
Depreciation and amortisation	137,945	199,306	10,019	4,152	351,422
Income tax expense/(credit)	91,917	(182,557)	(10,346)	—	(100,986)
Nine months ended 30th September 2014					
Revenue from external customers	995,263	166,560	—	29,023	1,190,846
Intersegment revenue	29,781	19,741	—	11,436	60,958
Segment profit/(loss)	294,327	(90,263)	—	(11,131)	192,933
Interest revenue	8,737	1,141	—	114	9,992
Interest expense	8,994	31,215	—	2,534	42,743
Depreciation and amortisation	184,221	39,299	—	3,924	227,444
Income tax expense/(credit)	95,472	500	—	(1,572)	94,400

3. Turnover and segment information (Continued)

Reconciliations of reportable segments' revenue and profit or loss:

	Nine months ended 30th September	
	2015 HK\$'000	2014 HK\$'000
Revenue		
Total revenue of reportable segments	1,682,104	1,251,804
Elimination of intersegment revenue	(181,906)	(60,958)
Consolidated revenue	1,500,198	1,190,846
Profit or loss		
Total profit or loss of reportable segments	(380,615)	192,933
Share of losses of associates	(12,311)	(16,335)
Interest income	8,528	10,001
Finance costs	(103,802)	(45,483)
Corporate administrative expenses	(10,530)	(18,828)
Consolidated (loss)/profit for the period	(498,730)	122,288

Geographical information

All the revenue generated by AcrossAsia Group for the two periods ended 30th September 2015 and 2014 was attributable to customers based 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\$151,244,000) or Nil (2014: 12.7%) of AcrossAsia Group's total revenue.

4. Income tax (credit)/expense

	Nine months ended 30th September		Three months ended 30th September	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Current tax — overseas	97,328	98,362	29,143	33,376
Deferred tax benefit	(198,314)	(3,968)	(72,190)	(1,419)
	(100,986)	94,394	(43,047)	31,957

4. Income tax (credit)/expense (Continued)

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.

5. Loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss attributable to owners of the Company for the Nine-month Period of HK\$201,058,000 (2014: HK\$10,653,000) and 5,064,615,385 ordinary shares in issue for the Nine-month Period.

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



6. Condensed Consolidated Statement of Changes in Equity of AcrossAsia Group

For the Nine-month Period

	Attributable to owners of the Company							
	Issued capital	Share premium	Investment revaluation reserve	Translation reserve	(Accumulated losses)/ retained profits		Non-controlling interests	Total equity
					Total	Total		
					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	—	—	—	(8,165)	(10,653)	(18,818)	106,800	87,982
Changes in non-controlling interests without change in control (Note 7)	—	—	—	—	196,225	196,225	610,218	806,443
Dividend declared and paid to non-controlling shareholders of subsidiary	—	—	—	—	—	—	(9,453)	(9,453)
At 30th September 2014	50,646	414,318	—	(152,940)	(195,136)	116,888	1,694,868	1,811,756
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	—	—	13,793	(95,273)	(201,114)	(282,594)	(677,324)	(959,918)
Changes in non-controlling interests without change in control (Note 7)	—	—	—	—	—	—	148,193	148,193
At 30th September 2015	50,646	414,318	13,793	(270,192)	(56,362)	152,203	2,279,684	2,431,887

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

During the Nine-month Period, new shares were issued by the Group's subsidiaries to non-controlling shareholders of its wireless and cinema businesses and generated approximately HK\$150 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.

8. 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 Half-year 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 Half-year Report 2015 and the update announcements of 4th September 2015 and 20th October 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.

8. Litigation (Continued)

Hong Kong Garnishee Proceedings (Continued)

First Media's Hong Kong 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 Hong Kong Setting Aside Application ("Chow J's 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 Chow J's 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 Chow J's Decision ("First Media's 3 Summonses"). First Media's 3 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 Chow J's 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 3 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.

The Company's Stay Application and First Media's 3 Summonses were heard on 20th October 2015. After hearing submissions from the parties on 20th October 2015, the Honourable Mr. Justice Chow has adjourned the matter to receive written submissions from the parties and reserved judgment to a later date to be advised. As at the date hereof, all parties have submitted their respective submissions and the matters are pending delivery of decision.

On 4th March 2015, the Company filed a supplementary (amended) notice of appeal in respect of its Appeal. As noted in the Company's Half-year 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. Master Lai delivered his decision on 2nd September 2015 ordering that the Company's application to fix a date for AAL's Appeal be dealt with after disposal of First Media's appeal against Chow J's Decision or until further order with liberty to apply in the event that there are changes of circumstances. Further, on 2nd September 2015 and 23rd September 2015, Master Lai made an order nisi that costs of the directions hearing be costs in the cause of the respective appeals and First Media's intended appeal against Chow J's Decision with certificate for one counsel.

8. Litigation (Continued)

Hong Kong Garnishee Proceedings (Continued)

On 8th October 2015, the Astro Group filed a summons for reserved costs for various Hong Kong Court orders to be paid jointly and severally by First Media and the Company (“Astro’s Costs Summons”). Further by a Second Affidavit of Brian William Gilchrist dated 15th October 2015, the Astro Group alleged that they had incurred costs of HK\$11,000,000 in First Media’s Hong Kong Setting Aside Application and HK\$33,000,000 in the Garnishee Proceedings and had invited the Court to make orders for costs to be paid into the Court by First Media and the Company in the sum of HK\$3,685,000 and HK\$11,055,000 respectively. Astro’s Cost Summons originally fixed for hearing on 20th October 2015 was by a Consent Summons and Order dated 16th October 2015 with amongst other things, ordering that Astro’s Cost Summons be adjourned to a date to be fixed in consultation with counsel’s diaries with 0.5 day reserved and that the Company be granted leave to file and serve evidence in response to Astro’s Costs Summons by 20th November 2015. The Court has on 3rd November 2015, fixed Astro’s Cost Summons for hearing on 13th July 2016.

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 (collectively referred to under this heading as 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.

A first Preliminary Conference has been fixed for attendance by the parties before the Chairman of the MMT on 13th November 2015.



8. Litigation (Continued)

Singapore Court of Appeal's Decision

Reference is made to the Company's Half-year 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 which was fixed for hearing on 22nd October 2015 was adjourned to 25th January 2016 and 1st February 2016. 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 was heard on 31st August 2015 and 4th September 2015 and is currently pending decision of the Singapore Court.

As noted in the Company's Half-year 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.

8. Litigation (Continued)

Appeal against Indonesian Bankruptcy Order

Reference is made to the Company's announcement dated 4th September 2015. On 21st August 2015, the Company received a written decision of the Indonesian Supreme Court dismissing the Company's appeal to the Supreme Court of Indonesia (the "Indonesian Appeal") against the Indonesian bankruptcy order made against the Company on 5th March 2013 (the "Indonesian Bankruptcy Order"). An English translation of the Indonesian Supreme Court's decision was received by the Company on 28th August 2015 and a final corrected English translation of the Indonesian Supreme Court's decision was received by the Company on 2nd September 2015.

The Company has been advised by its Indonesian lawyers that the Company has a final avenue of appeal by way of a petition for judicial review to the Indonesian Supreme Court after the Company is in receipt of official notification of dismissal of the Indonesian Appeal. As stated in the Company's announcement dated 4th September 2015, the Company intends to lodge such an appeal. The Indonesian Supreme Court's decision is therefore not final. The Company has instructed its Indonesian lawyers to prepare a petition for judicial review (the "Judicial Review"). Under the law, the deadline for lodgment of the petition is 17th February 2016. The directors of the Company are assessing the merits of the Judicial Review with the assistance of Indonesian lawyers.



INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Nine-month Period (2014: Nil).

FINANCIAL REVIEW

AcrossAsia Group's results for the Nine-month Period were analysed as follows:

Turnover

AcrossAsia Group's turnover increased by 26.0% to HK\$1,500.2 million compared to HK\$1,190.8 million for the same period in 2014 mainly contributed by the increase in demand for broadband Internet and network services by HK\$301.5 million in aggregate to HK\$844.8 million compared to HK\$543.3 million for the same period in 2014 and for cable TV services by HK\$18.8 million to HK\$401.6 million from HK\$382.8 million in the same period in 2014. Furthermore, the wireless and cinema businesses acquired in the fourth quarter of 2014 also generated HK\$63.9 million device sales and HK\$64.2 million cinema revenue.

Gross Profit

AcrossAsia Group's gross profit decreased by 20.5% to HK\$745.1 million from HK\$937.7 million and its gross profit margin decreased to 49.7% from 78.7% 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\$483.6 million compared to a profit of HK\$278.5 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\$184.1 million (2014: gains of HK\$0.1 million). Total operating expenses (excluding other income and expenses) increased to HK\$1,053.2 million from HK\$668.8 million for the same period in 2014.

Loss attributable to Owners

AcrossAsia Group recorded a loss attributable to the owners of the Company of HK\$201.1 million compared to HK\$10.7 million for the same period in 2014.

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 120 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 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 September 2015, it has added over 170,000 home pass to its HFC Network. By 30th September 2015, HFC Network has passed more than 1,600,000 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 September 2015, the number of cable TV subscribers and broadband Internet subscribers continued their increase trend reaching over 410,000 and over 436,000 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 Rp29,000 for 1.5GB to Rp1,200,000 for 110GB.

For Premium BOLT! (postpaid), customers can enjoy unlimited internet service by paying a fixed monthly fee. With speeds of up to 100Mbps, customers get package quota choices 20 or 30GB on fair usage policy (FUP) limit 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. Basic package offered has a monthly subscription fee of Rp149,000.

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.

The above steps were 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. As at 30th September 2015, the number of customers reached 1,335,000.

Cinema services

Cinemaxx was established to develop and operate modern, state-of-the-art multiplex cinemas. With more than 2,000 screens planned across the country 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/time/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/time/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 Maximum 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 September 2015, Cinemaxx owned and operated 11 cinema complexes with a total of 61 screens.

PROSPECTS

Indonesia's economic growth during the Nine-month Period is mainly due to domestic consumption and investments. This 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.

DISCLOSURE OF INTERESTS IN SECURITIES

Directors and Chief Executive

As at 30th September 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 September 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 September 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 Nine-month Period. There was a chance that such businesses might have competed with AcrossAsia Group during the Nine-month 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 five times this year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the Nine-month Period, there was no purchase, sale or redemption of the shares of the Company by the Company or any of its subsidiaries.

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

Hong Kong, 9th November 2015