

ACROSS ASIA LIMITED

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

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST DECEMBER 2010

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This announcement, for which the Directors of the Company (namely, executive Director: Mr. Marshall Wallace COOPER; 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 the Growth Enterprise Market (the “GEM”) of the Stock Exchange 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 announcement 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 announcement misleading.

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HIGHLIGHTS

- AcrossAsia Group's turnover substantially increased by 32.0% to HK\$709.0 million compared to HK\$537.1 million in 2009 mainly attributable to a rapid growth of Internet service subscribers and demand for data communication services.
- AcrossAsia Group's gross profit increased by 73.1% to HK\$554.5 million from HK\$320.2 million in 2009 mainly attributable to additional demand for services as well as reduction in Cable TV programme, bandwidth and Internet access fees.
- The profit margin rose to 78.2% from 59.6% in 2009 due to a rapid growth of Internet service subscribers with existing capacity.
- AcrossAsia Group recorded a profit from operations of HK\$75.9 million compared to HK\$225.1 million in 2009. The difference was mainly due to a gain from waiver of other payables of HK\$135.4 million in 2009.
- Total operating expenses (excluding other income and expenses) increased to HK\$508.2 million from HK\$312.2 million in 2009 mainly as a result of an increase in charges of amortisation of up front WiMAX licence fee, recognition of yearly licence fee and staff salaries and benefits.
- AcrossAsia Group recorded a loss from continuing operations attributable to owners of the Company of HK\$33.1 million (2009: profit of HK\$129.0 million).

ANNUAL RESULTS

The Directors of the Company are pleased to announce the following audited consolidated Income Statement, Statement of Comprehensive Income and Statement of Financial Position (collectively the “Financial Statements”) of the Company and its subsidiaries (collectively “AcrossAsia Group”) for the year ended 31st December 2010 (“2010”) together with audited comparative figures for the year ended 31st December 2009 (“2009”).

Audited Consolidated Income Statement

	Note	2010 HK\$'000	2009 HK\$'000
Continuing operations			
Turnover	5	708,984	537,147
Cost of services rendered		<u>(154,520)</u>	<u>(216,900)</u>
Gross profit		554,464	320,247
Other income		5,384	379
Waiver of other payables		-	135,403
Fair value loss on derivative financial instruments		(502)	-
Net foreign exchange gains		24,757	81,210
Selling and distribution costs		(44,912)	(36,759)
General and administrative expenses		<u>(463,244)</u>	<u>(275,400)</u>
Profit from operations		75,947	225,080
Finance costs	6	<u>(73,197)</u>	<u>(65,486)</u>
Profit before tax		2,750	159,594
Income tax expense	7	<u>(20,470)</u>	<u>(21,672)</u>
(Loss)/profit for the year from continuing operations		(17,720)	137,922
Discontinued operations			
Profit for the year from discontinued operations		<u>-</u>	<u>159,515</u>
(Loss)/profit for the year	8	<u>(17,720)</u>	<u>297,437</u>
Attributable to:			
Owners of the Company		(33,145)	162,234
Non-controlling interests		15,425	135,203
		<u>(17,720)</u>	<u>297,437</u>
(Loss)/earnings per share			
	9		
From continuing and discontinued operations			
- basic (HK cents)		<u>(0.65)</u>	<u>3.20</u>
- diluted (HK cents)		<u>N/A</u>	<u>N/A</u>
From continuing operations			
- basic (HK cents)		<u>(0.65)</u>	<u>2.54</u>
- diluted (HK cents)		<u>N/A</u>	<u>N/A</u>

Audited Consolidated Statement of Comprehensive Income

	2010 HK\$'000	2009 HK\$'000
(Loss)/profit for the year	(17,720)	297,437
Other comprehensive income:		
Exchange differences on translating foreign operations	5,445	36,076
Fair value changes of available-for-sale financial assets	-	21,799
Cash flow hedges	-	3,069
	<u>5,445</u>	<u>60,944</u>
Other comprehensive income for the year, net of tax	5,445	60,944
	<u>5,445</u>	<u>60,944</u>
Total comprehensive income for the year	(12,275)	358,381
	<u>(12,275)</u>	<u>358,381</u>
Attributable to:		
Owners of the Company	(31,058)	186,950
Non-controlling interests	18,783	171,431
	<u>18,783</u>	<u>171,431</u>
	<u>(12,275)</u>	<u>358,381</u>

Audited Consolidated Statement of Financial Position

	Note	2010 HK\$'000	2009 HK\$'000
Non-current assets			
Property, plant and equipment		1,030,282	946,240
Available-for-sale financial assets		4,403	4,205
Other intangible assets		104,733	104,483
Deferred tax assets		12,070	18,847
Non-current prepayments, deposits and receivables		109,875	117,371
		<u>1,261,363</u>	<u>1,191,146</u>
Current assets			
Trade receivables	10	97,727	69,738
Prepayments, deposits and other current assets		67,373	93,143
Bank and cash balances		67,087	28,591
		<u>232,187</u>	<u>191,472</u>
TOTAL ASSETS		<u>1,493,550</u>	<u>1,382,618</u>

Audited Consolidated Statement of Financial Position (continued)

	Note	2010 HK\$'000	2009 HK\$'000
Capital and reserves			
Share capital	11	50,646	506,462
Reserves	11	<u>(143,068)</u>	<u>(567,826)</u>
Equity attributable to owners of the Company	11	(92,422)	(61,364)
Non-controlling interests	11	<u>282,340</u>	<u>86,852</u>
Total equity	11	<u>189,918</u>	<u>25,488</u>
Non-current liabilities			
Provisions		17,209	10,129
Interest-bearing borrowings		220,057	551,163
Notes payable		217,442	1,929
Finance lease payables		21,631	9,447
Due to related companies		<u>25,355</u>	<u>23,114</u>
		<u>501,694</u>	<u>595,782</u>
Current liabilities			
Interest-bearing borrowings		629,229	351,295
Notes payable		6,338	223,609
Finance lease payables		8,861	24,329
Due to a related company		4,000	4,000
Derivative financial instruments		509	-
Trade payables	12	29,895	76,028
Receipts in advance		15,950	19,260
Other payables and accruals		97,071	61,602
Current tax payable		<u>10,085</u>	<u>1,225</u>
		<u>801,938</u>	<u>761,348</u>
Total liabilities		<u>1,303,632</u>	<u>1,357,130</u>
TOTAL EQUITY AND LIABILITIES		<u>1,493,550</u>	<u>1,382,618</u>
Net current liabilities		<u>(569,751)</u>	<u>(569,876)</u>
Total assets less current liabilities		<u>691,612</u>	<u>621,270</u>

Note :

1. Basis of preparation

The Financial Statements include the financial statements of the Company and its subsidiaries for 2010. Subsidiaries are consolidated from the date on which control is transferred to AcrossAsia Group and cease to be consolidated from the date on which control is transferred out of AcrossAsia Group. The results of subsidiaries acquired or disposed of, if any, during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within AcrossAsia Group have been eliminated on consolidation.

The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments and derivative financial instruments which are carried at their fair values.

Non-controlling interests represent the interests of outside shareholders in the results and net assets of the Company's subsidiaries.

2. Statement of compliance

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and the applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and the Hong Kong Companies Ordinance.

The audit committee has reviewed the Financial Statements.

3. Adoption of new and revised IFRSs

In 2010, AcrossAsia Group has adopted all the new and revised IFRSs issued by the International Accounting Standards Board. IFRSs comprise International Financial Reporting Standards; International Accounting Standards; and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to AcrossAsia Group's accounting policies, presentation of AcrossAsia Group's financial statements and amounts reported for the current year and prior years.

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

4. Going concern basis

AcrossAsia Group incurred a loss of approximately HK\$33,145,000 for the year ended 31st December 2010 and as at 31st December 2010 AcrossAsia Group had net current liabilities of approximately HK\$569,751,000 and net liabilities attributable to owners of the Company of approximately HK\$92,422,000. Please refer to the section "MODIFICATION TO THE INDEPENDENT AUDITOR'S REPORT".

5. Segment information

(a) Operating segments

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. In the manner consistent with the way in which information is reported internally to AcrossAsia Group's chief operating decision makers for the purposes of resources allocation and performance assessment, AcrossAsia Group has identified the following three reportable segments:

- (a) the 'Broadband Services' segment primarily engages in the provision of broadband network services, broadband internet services and cable television services;
- (b) the 'Retail' segment primarily engages in retail operations (discontinued operation); and
- (c) the 'IT Solutions' segment primarily engages in the provision of IT systems integration and solution services (discontinued operation).

Segment profits or losses do not include corporate income and expenses such as finance costs, interest revenue, unrealised gain/(loss) on revaluation of financial assets at fair value through profit or loss and other items. Segment assets mainly excluded available-for-sale financial assets, deferred tax assets, bank and cash balances for general administrative use and non-current prepayments, deposits and receivables for general administrative use. Segment liabilities mainly excluded amounts due to related companies, derivative financial instruments, current tax payable, corporate interest-bearing borrowings, corporate notes payable and other payables and accruals for general administrative use.

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

Information about reportable segment profit or loss, assets and liabilities is as follows:

	Broadband Services HK\$'000	<u>Discontinued operations</u>		Total HK\$'000
		Retail HK\$'000	IT Solutions HK\$'000	
Year ended 31st December 2010				
Revenue from external customers	708,984	-	-	708,984
Segment profit	199,988	-	-	199,988
As at 31st December 2010				
Segment assets	1,417,154	-	-	1,417,154
Segment liabilities	(804,190)	-	-	(804,190)
	Broadband Services HK\$'000	<u>Discontinued operations</u>		Total HK\$'000
		Retail HK\$'000	IT Solutions HK\$'000	
Year ended 31st December 2009				
Revenue from external customers	537,147	8,085,231	293,264	8,915,642
Intersegment revenue	-	1,465	10,268	11,733
Segment profit	111,835	172,839	85,456	370,130
As at 31st December 2009				
Segment assets	1,304,057	-	-	1,304,057
Segment liabilities	(1,096,651)	-	-	(1,096,651)

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities:

	2010 HK\$'000	2009 HK\$'000
Revenue		
Total revenue of reportable segments	708,984	8,927,375
Elimination of intersegment revenue	-	(11,733)
	<u>708,984</u>	<u>8,915,642</u>
Profit or loss		
Total profit or loss of reportable segments	199,988	370,130
Unallocated amounts:		
Interest revenue	5,056	134,844
Interest expense	(73,197)	(397,154)
Depreciation and amortisation	(135,942)	(398,455)
Share of profits of associates	-	221
Income tax expense	(20,470)	(78,445)
Net foreign exchange gains	24,757	227,617
Fair value (loss)/gain on derivative financial instruments	(502)	97,818
Unrealised gain on revaluation of financial assets at fair value through profit or loss	-	144,762
Gain/(loss) on disposal of property, plant and equipment	327	(5,778)
Gain on disposal of financial assets at fair value through profit or loss	-	3,801
Rental income	-	67,711
Waiver of other payables	-	135,403
Other corporate expenses	(17,737)	(5,038)
	<u>(17,720)</u>	<u>297,437</u>
Assets		
Total assets of reportable segments	1,417,154	1,304,057
Available-for-sale financial assets	4,403	4,205
Deferred tax assets	12,070	18,847
Bank and cash balances for general administrative use	8,171	2,468
Non-current prepayments, deposits and receivables for general administrative use	51,752	53,041
	<u>1,493,550</u>	<u>1,382,618</u>

	2010	2009
	HK\$'000	HK\$'000
Liabilities		
Total liabilities of reportable segments	804,190	1,096,651
Due to related companies	29,355	27,114
Derivative financial instruments	509	-
Interest-bearing borrowings for corporate use	202,800	202,800
Notes payable for corporate use	221,759	-
Other payables and accruals for general administrative use	34,934	29,340
Current tax payable	10,085	1,225
	<u>1,303,632</u>	<u>1,357,130</u>
Consolidated total liabilities	<u>1,303,632</u>	<u>1,357,130</u>

(b) Geographical segments

Over 90% of AcrossAsia Group's revenue and assets are derived from customers and operations based in Indonesia and accordingly, no further geographical analysis of AcrossAsia Group is disclosed.

6. Finance costs

	2010	2009
	HK\$'000	HK\$'000
Interest on:		
Bank loans and overdrafts	26,511	199,721
Notes payable wholly repayable within five years	40,075	130,814
Bonds payable wholly repayable within five years	-	48,230
Other borrowings wholly repayable within five years	4,104	11,748
Finance lease charges	2,507	6,641
	<u>73,197</u>	<u>397,154</u>
Representing:		
Continuing operations	73,197	65,486
Discontinued operations	-	331,668
	<u>73,197</u>	<u>397,154</u>

7. Income tax expense

	2010 HK\$'000	2009 HK\$'000
Current tax - Overseas	12,894	9,402
Deferred tax	<u>7,576</u>	<u>69,043</u>
Income tax expense	<u><u>20,470</u></u>	<u><u>78,445</u></u>
Representing:		
Continuing operations	20,470	21,672
Discontinued operations	<u>-</u>	<u>56,773</u>
	<u><u>20,470</u></u>	<u><u>78,445</u></u>

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 (2009: Nil).

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

The Company's subsidiaries incorporated and operating in Indonesia are subject to Indonesian income tax at a maximum rate of 25% (2009: 28%) of the individual entities' respective assessable profits in accordance with Indonesian income tax law.

8. (Loss)/profit for the year

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

	Continuing operations		Discontinued operations		Total	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
Depreciation of property, plant and equipment	122,949	98,152	-	294,406	122,949	392,558
Depreciation of investment properties	-	-	-	1,357	-	1,357
Amortisation of other intangible assets	12,993	1,139	-	3,401	12,993	4,540

9. (Loss)/earnings per share

- (a) From continuing operations and discontinued operations

The calculation of basic loss (2009: earnings) per share attributable to owners of the Company is based on the loss (2009: profit) for the year attributable to owners of the Company of approximately HK\$33,145,000 (2009: HK\$162,234,000) and 5,064,615,385 (2009: 5,064,615,385) ordinary shares in issue during the year.

- (b) From continuing operations

The calculation of basic loss (2009: earnings) per share from continuing operations attributable to owners of the Company is based on the loss (2009: profit) for the year from continuing operations attributable to owners of the Company of approximately HK\$33,145,000 (2009: HK\$128,969,000) and the denominator used in (a) above.

- (c) From discontinued operations

Basic earnings per share from discontinued operations for the year ended 31st December 2009 is HK0.66 cent per share, based on the profit for the year from discontinued operations attributable to owners of the Company of approximately HK\$33,265,000 and the denominator used in (a) above.

No diluted (loss)/earnings per share are presented as the Company did not have any dilutive potential ordinary share during the years ended 31st December 2010 and 2009.

10. Trade receivables

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

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

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

	2010 HK\$'000	2009 HK\$'000
Within 1 month	36,770	25,960
1 to 2 months	10,203	6,852
2 to 3 months	4,171	4,364
Over 3 months	46,583	32,562
	97,727	69,738

11. Audited Consolidated Statement of Changes in Equity

	Attributable to owners of the Company							Total	Non -controlling interests	Total equity	
	Issued capital	Share premium account	Capital reserve	Equity transactions of associates	Hedging reserve	Investment revaluation reserve	Translation reserve				Accumulated losses
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1st January 2009	506,462	32,877	1,464,802	7,659	(6,517)	(20,310)	(736,371)	(829,377)	419,225	1,904,252	2,323,477
Total comprehensive income for the year	-	-	-	-	1,570	5,487	17,659	162,234	186,950	171,431	358,381
Transfer	-	593,039	(631,394)	-	-	-	-	38,355	-	-	-
Effect of distribution in specie	-	(211,598)	(833,408)	(7,659)	4,947	14,823	719,510	(354,154)	(667,539)	(1,988,831)	(2,656,370)
Changes in equity for the year	-	381,441	(1,464,802)	(7,659)	6,517	20,310	737,169	(153,565)	(480,589)	(1,817,400)	(2,297,989)
At 31st December 2009 and 1st January 2010	506,462	414,318	-	-	-	-	798	(982,942)	(61,364)	86,852	25,488
Total comprehensive income for the year	-	-	-	-	-	-	2,087	(33,145)	(31,058)	18,783	(12,275)
Capital reduction	(455,816)	-	-	-	-	-	-	455,816	-	-	-
Rights issue of a subsidiary	-	-	-	-	-	-	-	-	-	176,705	176,705
Changes in equity for the year	(455,816)	-	-	-	-	-	2,087	422,671	(31,058)	195,488	164,430
At 31st December 2010	50,646	414,318	-	-	-	-	2,885	(560,271)	(92,422)	282,340	189,918

12. Trade payables

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

	2010 HK\$'000	2009 HK\$'000
Within 1 month	12,092	27,819
1 to 2 months	3,198	7,223
2 to 3 months	383	3,774
Over 3 months	14,222	37,212
	29,895	76,028

At 31st December 2010, trade payables of AcrossAsia Group included payables to certain related companies, which are directly or indirectly owned, controlled or influenced by the principal beneficial shareholder of the Company, totalling approximately HK\$3,536,000 (2009: HK\$4,359,000). These balances are unsecured, interest-free and are repayable principally in accordance with normal trading terms.

13. Dividends

	2010 HK\$'000	2009 HK\$'000
Special dividend of HK\$Nil (2009: HK\$0.04) per ordinary share paid	-	211,598

On 24th July 2009, the Company announced a proposed reorganisation of AcrossAsia Group whereby the Company declared a special dividend by way of a distribution in specie (the "Distribution") of all the Company's shareholdings in PT Multipolar Tbk ("Multipolar"). At an extraordinary general meeting of the Company held on 9th September 2009, the Distribution was approved by the shareholders of the Company. As a result, Multipolar and its subsidiaries including PT Matahari Putra Prima Tbk ("Matahari") (collectively "Multipolar Group") ceased to be subsidiaries of the Company in September 2009, and Retail and IT Solutions which have been operated by Multipolar Group became discontinued operations. The results of Multipolar Group ceased to be accounted for in the consolidated results of AcrossAsia Group following the Distribution. The Company recorded a special dividend of approximately HK\$211,598,000 for the year ended 31st December 2009.

14. Events after the reporting period

(a) Credit facility agreements

Subsequent to the end of the reporting period, AcrossAsia Group entered into credit facility agreements with certain banks for credit facilities of up to approximately HK\$190,171,000 in aggregate.

(b) Very substantial disposal

In March 2011, First Media, PT Link Net (“Link Net”) and PT First Media Television (“First Media TV”) of AcrossAsia Group entered into a transaction which constitutes a very substantial disposal (as defined under the GEM Listing Rules) of the Company. As at 24th March 2011, an announcement has yet to be released by the Company.

MODIFICATION TO THE INDEPENDENT AUDITOR’S REPORT

The unqualified audit opinion in the Independent Auditor’s Report for the consolidated financial statements of AcrossAsia Group for 2010 contains the following modification:

“MATERIAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

Without qualifying our opinion, we draw attention to note 2 to the financial statements which mentions that the Group incurred a loss attributable to owners of the Company of approximately HK\$33,145,000 for the year ended 31st December 2010 and as at 31st December 2010 the Group had net current liabilities of approximately HK\$569,751,000 and net liabilities attributable to owners of the Company of approximately HK\$92,422,000. These conditions indicate the existence of a material uncertainty concerning the Group’s operations going forward as a going concern. The financial statements have been prepared on a going concern basis, the validity of this depends upon the Group’s ability to secure additional credit facilities and other funding measures to enable the Group to meet its financial obligations as and when they fall due in the foreseeable future. The financial statements do not include any adjustments that would result from the failure to obtain such credit facilities and other funding measures. We consider that the material uncertainty has been adequately disclosed in the financial statements.”

FINAL DIVIDEND

The Directors do not recommend the payment of the final dividend for 2010 (2009 : Nil).

FINANCIAL REVIEW

AcrossAsia Group's results for 2010 were analysed based on the continuing operations namely Broadband Services.

Continuing Operations

Turnover

AcrossAsia Group's turnover substantially increased by 32.0% to HK\$709.0 million compared to HK\$537.1 million in 2009 mainly attributable to a rapid growth of Internet service subscribers and demand for data communication services.

Gross Profit

AcrossAsia Group's gross profit increased by 73.1% to HK\$554.5 million from HK\$320.2 million in 2009 mainly attributable to additional demand for services as well as reduction in Cable TV programme fees by HK\$50.0 million and bandwidth and Internet access fees by HK\$16.0 million. The profit margin rose to 78.2% from 59.6% in 2009. The existing broadband infrastructure and capacity enables nearly all the revenue generated from new Internet service subscribers as a gross profit.

Profit from Operations

AcrossAsia Group recorded a profit from operations of HK\$75.9 million compared to HK\$225.1 million in 2009. The difference was mainly due to a gain from waiver of other payables of HK\$135.4 million in 2009.

Total operating expenses (excluding other income and expenses) increased to HK\$508.2 million from HK\$312.2 million in 2009 mainly as a result of amortisation of up front WiMAX licence fee of HK\$10.9 million (2009: HK\$1.1 million), recognition of yearly licence fee of HK\$87.5 million (2009: HK\$ 11.7 million), depreciation charges of HK\$122.9 million (2009: HK\$94.7 million) and staff salaries and benefits of HK\$120.0 million (2009: HK\$77.8 million) resulting from recruitment of additional staff to support the WiMAX business and rapid growth of other Broadband Services. Finance costs increased to HK\$73.2 million from HK\$65.5 million in 2009.

Profit attributable to Owners

AcrossAsia Group recorded a loss from continuing operations attributable to owners of the Company of HK\$33.1 million (2009 : profit of HK\$129.0 million).

Finance Resources and Capital Structure

AcrossAsia Group primarily financed its operations with internally generated cash flows and borrowings during 2010. As at 31st December 2010, AcrossAsia Group had bank and cash balances of HK\$67.1 million. The total borrowings amounted to HK\$1,073.1 million compared to HK\$1,128.0 million as at 31st December 2009. Borrowings were mainly denominated in Indonesian Rupiah and United States Dollar with interest generally chargeable at market rates, and had maturity dates ranging from less than a year to 5 years. Part of the borrowings was secured by certain current assets of AcrossAsia Group.

During the year, AcrossAsia Group implemented and is continuing to implement the following management plan to further improve its financial position: restructuring of current liabilities into non-current liabilities; improvement of operational efficiency; procurement of

long term debt/equity financing; identification and securing of strategic investors as business partners; upgrading of the broadband network and increase of the penetration of the broadband services.

AcrossAsia Group's gearing ratio, representing total borrowings divided by share capital, was 21 times as at 31st December 2010. Because of significant operations in Indonesia, AcrossAsia Group has foreign currency exposure mainly in transaction and conversion risks. AcrossAsia Group will continue to take measures to minimise its foreign exchange exposure.

BUSINESS REVIEW

First Media

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) enjoyed a robust growth in its Broadband Services. First Media is the only 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 HD (High-Definition) TV programmes. With its Triple-play services, namely FastNet, HomeCable and DataComm, First Media 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. Packages offered range from 1 Mbps to 20 Mbps with subscription fees starting from Rp195,000/month. With 20Mbps of unlimited access, First Media offers the fastest broadband Internet service in Indonesia. It has the unique opportunity to up-sell premium products to price insensitive customers by leveraging its exclusive access to high-end customer segments. First Media also takes care of children's Internet access needs by providing innovative and content-protected FastNet KIDS package.

HomeCable offers a total of 98 local and international TV channels covering news, education, movies, lifestyle, entertainment, sports, music and kids channels. Packages offered include HomeCable Family, HomeCable Family Plus, HomeCable Ultimate, Sport Channels and attractive selection packs/add-ons with subscription fees starting from Rp60,000 per month, depending on the number of channels/selections.

DataComm services provide good connectivity and availability for decision making process and business continuity. DataComm serves demanding corporate customers for high reliability connection using the latest technology of fibre optic cable. The Metro Ethernet technology applied in the network backbone gives the corporate customers the very simple and flexibility technology to adapt. Through its DataComm business, First Media is presently the market leading provider of high capacity and high speed data communications solutions to its commercial subscribers with edge in coverage of key commercial office buildings and hotels in Jakarta region.

In 2010, First Media focused on improvement of its services and customer satisfaction as well as adoption of advance technology. This resulted in a healthy growth of its customer base, a key and critical factor behind the success of any subscriber-based business model, strengthening of the dominance of the Triple-play Megamedia services, as well as achievement of satisfactory operating results for 2010. First Media has implemented more

aggressive marketing campaign to promote its service offerings and introduced more channels and packages to meet market needs.

In June 2010, First Media soft launched its new WiMAX service “Sitra”. 125 Base Transceiver Stations (BTS) have been deployed up to 31st December 2010 and more infrastructure work and deployment of WiMAX facilities are ongoing. The network already covers some prominent areas in West and South Jakarta. Until the end of 2010, more than 2,000 users have tested the 3 Mbps WiMAX speed connection. At the same time, First Media started to develop Video on Demand (VOD) applications. This new trend technology will provide more freedom to subscribers to choose their personal program lineups and more opportunity for contents development.

First Media has also undergone a successful trial run for broadcasting HD TV programmes through its HFC network since August 2010. In November 2010, it became the first cable TV operator in Indonesia to offer HD programmes by introducing two HD channels, HBO and ESPN, in its cable TV packages. First Media’s DataComm has been the sole network provider to Indonesia Stock Exchange for its JATS-Remote Trading for eight years now.

In November 2010, First Media started its second phase network coverage expansions. As of 31st December 2010, First Media’s fibre optic cable reached over 4,000 km whilst its coaxial cable network reached approximately 4,900 km, passing more than 506,000 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. At the end of 2010, Cable TV subscribers and broadband Internet subscribers reached approximately 173,000 and over 172,000 respectively.

In 2010, First Media was awarded The Best Contact Center in Indonesia by Indonesia Contact Center Association as an evidence of First Media’s commitment to customer satisfaction and also SWA Word of Mouth Awards for HR Excellence in training and developing its employees.

In March 2010, the Company completed its capital reduction, share sub-division and change in board lot size of its shares. In May 2010, First Media successfully completed its rights issue raising a total of approximately HK\$381.8 million for enhancing its capital structure as well as working capital or business development. In June 2010, First Media transferred certain assets to its wholly-owned subsidiary, Link Net, as part of its business reorganisation and rationalisation exercises.

PROSPECTS

Indonesia continues to post strong economic growth with GDP growth for the first quarter of 2011 and foreign direct investment forecast to reach 6.4% and 42% respectively year-on-year according to its central bank in the light of optimism towards the country. With more than half of the population of 240 million people below 30 years of age, and a rapidly growing middle class, Indonesia offers highly lucrative market growth opportunities as evidenced by the continuing growth of Internet users in Indonesia (estimated to have reached 57.8 million people in 2010). By capitalising on the above positive factors, First Media, backed by its HFC network, will focus on penetration of its core businesses via the Triple-play services and pursue new potential and lucrative areas of network expansion. First Media plans to offer more HD TV channels and make commercial launch of its WiMAX service in 2011. It expects to attract a sizeable number of WiMAX subscribers within its first operational year with an objective of significant growth in the next few years from 2011 by investing wisely in the WiMAX service to transform First Media into a Quadruple-Play services provider.

In March 2011, First Media, Link Net and First Media TV of AcrossAsia Group entered into a transaction which constitutes a very substantial disposal (as defined under the GEM Listing Rules) of the Company. The Board of Directors of the Company (the “Board”) believes that the transaction will have a positive effect on AcrossAsia Group as a whole. As at 24th March 2011, an announcement has yet to be released by the Company. AcrossAsia Group will continue to explore expansion and funding opportunities for its businesses with an aim to fostering its leading operating position in Indonesia. On the back of the Quadruple-play platform, AcrossAsia Group will seek investment opportunities in new areas so as to broaden its revenue base and enhance value for its shareholders.

EMPLOYEES

As at 31st December 2010, AcrossAsia Group had approximately 630 employees (2009: 560). Their remuneration, promotion and salary review are assessed based on job responsibilities, work performance, professional experiences and the prevailing industry practices. AcrossAsia Group’s employees in Hong Kong joined the Mandatory Provident Fund Scheme. Other benefits include share options granted or to be granted under the share option scheme, incentive bonus and training schemes.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has implemented measures to meet the Code on Corporate Governance Practices set out in Appendix 15 of the GEM Listing Rules (the “CG Code”). To the knowledge of the Directors, they consider that the Company has applied the principles of the CG Code and to a certain extent, of the recommended best practices thereof and are not aware of any non compliance with the CG Code during 2010 save as disclosed herein.

The Chairman of the Board who is also the chairman of the audit committee (the “Audit Committee”) and the remuneration committee could not attend the annual general meeting of the Company held on 10th May 2010. Also, following the resignation of Mr. Kwong Yiu MAK as an independent non-executive Director with effect from 24th May 2010 and prior to the appointment of Mr. Thomas Yee Man LAW (“Mr. Law”) as an independent non-executive Director and a member of the Audit Committee with effect from 28th May 2010, the Board only included two independent non-executive Directors and the Audit Committee

only comprised two members. Following such appointment of Mr. Law, the Company has complied with the requirements pursuant to Rule 5.05 and Rule 5.28 of the GEM Listing Rules.

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

During 2010, there was no purchase, sale or redemption of shares of the Company by the Company or any of its subsidiaries.

By Order of the Board
Albert Saychuan CHEOK
Chairman

Hong Kong, 24th March 2011

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least seven days from its date of publication and on the Company's website at www.across-asia.com.