

ACROSS ASIA LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8061)

THIRD QUARTERLY RESULTS ANNOUNCEMENT (FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2016)

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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: Dr. Boh Soon LIM, Mr. Thomas Yee Man LAW and Mr. Ganesh Chander GROVER) 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.

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HIGHLIGHTS

- On 12th October 2016, the Board was advised by its Indonesian Lawyers that the Petition had been rejected by the Indonesian Supreme Court as of 14th September 2016 according to the latest information published on the website of the same court (“Information”). The Indonesian Lawyers further advised the Board that under Indonesian law, the decision of the Indonesian Supreme Court will only be legally binding on the parties to the Proceedings when the Court’s official written decision (“Official Decision”) is received by the parties. However, as of the date of this Third Quarterly Report, the Board has not received the Official Decision directly from the Indonesian Supreme Court or through the Indonesian Lawyers, and has not had an opportunity to verify the Information with the Indonesian Supreme Court. The Indonesian Lawyers have also confirmed in an email to the Board dated 7th November 2016 that they have not received the Official Decision.
- The Directors concluded that the Company had finally lost control over First Media and the assets and liabilities of First Media Group should have been deconsolidated from 5th March 2013. Accordingly, the Company’s consolidated financial statements for the year ended 31st December 2015 have been restated retrospectively.
- First Media was the principal operating subsidiary of the Company and its shares are its most valuable asset. Following the deconsolidation of First Media Group, the Company would no longer have a sufficient level of operations nor have any tangible assets of sufficient value and/or intangible assets of a sufficient potential value to support the continued listing of its securities on the Stock Exchange pursuant Rule 17.26 of GEM Listing Rules.
- The Company’s situation is also aggravated by the significant uncertainties arising from both the timing and the outcome of its ongoing litigation and proceedings in Hong Kong and the impending implications of the Indonesian Bankruptcy Order. Based on preliminary legal advice obtained, the Directors understood that both issues may take years to resolve. Consequently, the Company is now working closely with its legal and financial advisors to address these challenges and to identify the best course of action for the Company going forward. The Company may also seek advice from the Stock Exchange as and when appropriate.
- Although the Company is under Bankruptcy Order in Indonesia, its assets still exceeded its liabilities by HK\$718,270,000 as at 30th September 2016. However, its current liabilities exceeded its current assets by HK\$642,785,000 as at 30th September 2016. In addition, the Indonesian Bankruptcy Order may have an impact of the Company’s ability to realise its investment in First Media and therefore there is no assurance as to the amount that can be recovered from such realisation. The Directors have commenced discussions with representatives of the shareholders of the Company for the provision of financial support to allow the Company to continue as a going concern.

THIRD QUARTERLY RESULTS

The Directors of AcrossAsia Limited (the “Company”) announce the unaudited condensed financial statements (the “Financial Statements”) of the Company and its subsidiaries (collectively “AcrossAsia Group”) for the nine months ended 30th September 2016 (the “Nine-month Period”) together with comparative figures for the corresponding period ended 30th September 2015. These Financial Statements have been reviewed by the Company’s audit committee and the Company’s independent auditor in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the nine months ended 30th September 2016

		Nine months ended 30th September		Three months ended 30th September	
		2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited) (restated)	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited) (restated)
Revenue	5	—	—	—	—
Other income		79	86	—	—
Net foreign exchange (losses)/gains		(74)	135	(27)	95
General and administrative expenses		(8,679)	(10,607)	(4,239)	(4,766)
Loss from operations		(8,674)	(10,386)	(4,266)	(4,671)
Finance costs		(2,499)	(2,103)	(870)	(728)
Loss before tax		(11,173)	(12,489)	(5,136)	(5,399)
Income tax expense	7	—	—	—	—
Loss for the period	6	(11,173)	(12,489)	(5,136)	(5,399)
Attributable to:					
Owners of the Company		(11,173)	(12,489)	(5,136)	(5,399)
Non-controlling interests		—	—	—	—
		(11,173)	(12,489)	(5,136)	(5,399)
Loss per share	9				
— Basic (HK cents)		(0.22)	(0.25)	(0.10)	(0.11)
— Diluted (HK cents)		N/A	N/A	N/A	N/A

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the nine months ended 30th September 2016

	Nine months ended 30th September		Three months ended 30th September	
	2016 <i>HK\$'000</i> (unaudited)	2015 <i>HK\$'000</i> (unaudited) (restated)	2016 <i>HK\$'000</i> (unaudited)	2015 <i>HK\$'000</i> (unaudited) (restated)
Loss for the period	(11,173)	(12,489)	(5,136)	(5,399)
Other comprehensive income:				
<i>Items that may be reclassified to profit or loss:</i>				
Exchange differences on translating foreign operations	(8,300)	21,285	(1,617)	11,958
Fair value changes of available-for-sale financial assets	374,829	(491,079)	593,122	(389,602)
Other comprehensive income, net of tax	366,529	(469,794)	591,505	(377,644)
Total comprehensive income for the period	355,356	(482,283)	586,369	(383,043)
Attributable to:				
Owners of the Company	356,269	(484,625)	586,546	(384,360)
Non-controlling interests	(913)	2,342	(177)	1,317
	355,356	(482,283)	586,369	(383,043)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th September 2016

		30th September 2016 <i>HK\$'000</i> (unaudited)	31st December 2015 <i>HK\$'000</i> (restated)	1st January 2015 <i>HK\$'000</i> (restated)
Non-current assets				
Property, plant and equipment	10	12	20	26
Available-for-sale financial assets	11	1,377,937	1,003,102	1,548,860
Non-current prepayments, deposits and receivables		<u>607</u>	<u>394</u>	<u>1,391</u>
		<u>1,378,556</u>	<u>1,003,516</u>	<u>1,550,277</u>
Current assets				
Due from a related company		—	2	2
Prepayments, deposits and other current assets		1,837	2,114	1,377
Bank and cash balances		<u>158</u>	<u>159</u>	<u>165</u>
		<u>1,995</u>	<u>2,275</u>	<u>1,544</u>
TOTAL ASSETS		<u><u>1,380,551</u></u>	<u><u>1,005,791</u></u>	<u><u>1,551,821</u></u>
Capital and reserves				
Share capital	12	50,646	50,646	50,646
Reserves		<u>681,821</u>	<u>325,552</u>	<u>882,334</u>
Equity attributable to owners of the Company		732,467	376,198	932,980
Non-controlling interests		<u>(14,197)</u>	<u>(13,284)</u>	<u>(14,849)</u>
Total equity		<u>718,270</u>	<u>362,914</u>	<u>918,131</u>
Non-current liabilities				
Due to related companies		<u>17,501</u>	<u>16,375</u>	<u>18,305</u>
Current liabilities				
Interest-bearing borrowings		93,000	93,000	93,000
Other loan	13	362,502	362,502	362,502
Due to a related company		4,000	4,000	4,000
Other payables and accruals		<u>185,278</u>	<u>167,000</u>	<u>155,883</u>
		<u>644,780</u>	<u>626,502</u>	<u>615,385</u>
Total liabilities		<u>662,281</u>	<u>642,877</u>	<u>633,690</u>
Total equity and liabilities		<u><u>1,380,551</u></u>	<u><u>1,005,791</u></u>	<u><u>1,551,821</u></u>
Net current liabilities		<u><u>(642,785)</u></u>	<u><u>(624,228)</u></u>	<u><u>(613,842)</u></u>
Total assets less current liabilities		<u><u>735,771</u></u>	<u><u>379,289</u></u>	<u><u>936,436</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30th September 2016

	(Unaudited)							
	Attributable to owners of the Company							
	Issued capital	Share premium account	Investment revaluation reserve	Translation reserve	Retained profits/ (accumulated losses)	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 2015, as previously reported	50,646	414,318	—	(174,919)	144,752	434,797	2,808,815	3,243,612
Retrospective restatement (<i>Note 3</i>)	—	—	1,126,204	229,218	(857,239)	498,183	(2,823,664)	(2,325,481)
At 1st January 2015, as restated	50,646	414,318	1,126,204	54,299	(712,487)	932,980	(14,849)	918,131
Total comprehensive income and changes in equity for the period	—	—	(491,079)	18,943	(12,489)	(484,625)	2,342	(482,283)
At 30th September 2015	50,646	414,318	635,125	73,242	(724,976)	448,355	(12,507)	435,848
At 1st January 2016, as previously reported	50,646	414,318	3,240	(251,154)	(117,563)	99,487	2,208,977	2,308,464
Retrospective restatement (<i>Note 3</i>)	—	—	577,206	318,115	(618,610)	276,711	(2,222,261)	(1,945,550)
At 1st January 2016, as restated	50,646	414,318	580,446	66,961	(736,173)	376,198	(13,284)	362,914
Total comprehensive income and changes in equity for the period	—	—	374,829	(7,387)	(11,173)	356,269	(913)	355,356
At 30th September 2016	50,646	414,318	955,275	59,574	(747,346)	732,467	(14,197)	718,270

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the nine months ended 30th September 2016*

	Nine months ended	
	30th September	
	2016	2015
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
		(restated)
NET CASH GENERATED FROM OPERATING ACTIVITIES	2,500	2,104
Purchases of property, plant and equipment	(2)	(7)
NET CASH USED IN INVESTING ACTIVITIES	(2)	(7)
Finance costs paid	(2,499)	(2,103)
NET CASH USED IN FINANCING ACTIVITIES	(2,499)	(2,103)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1)	(6)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	159	165
CASH AND CASH EQUIVALENTS AT END OF PERIOD	158	159
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	158	159

Notes :

1. BASIS OF PREPARATION

These condensed financial statements of AcrossAsia Limited (the “Company”) and its subsidiaries (collectively referred to as “AcrossAsia Group”) have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” which is one of the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board 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.

These condensed financial statements should be read in conjunction with the 2015 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31st December 2015.

AcrossAsia Group incurred a loss of HK\$11,173,000 for the nine months ended 30th September 2016 and as at 30th September 2016 AcrossAsia Group had net current liabilities of HK\$642,785,000. Furthermore, there were pending garnishee and related proceedings in Hong Kong and Indonesia, details of which are set out in Note 15 to the condensed financial statements. These conditions indicate the existence of a material uncertainty which may cast significant doubt about AcrossAsia Group’s ability to continue as a going concern and therefore that AcrossAsia Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors note the above material uncertainty and are also cognisant of the severe difficulties facing the Company. Accordingly, the Directors have commenced discussions with representatives of shareholders of the Company regarding the provision of financial support for a period of twelve months to allow the Company to continue as a going concern. Although no formal arrangement has yet been concluded, initial discussions have been positive and the Directors believe there is a reasonable prospect that the shareholders will assist in arranging limited financial support for a period of twelve months to allow the Company to adopt the going concern basis in preparing its financial statements.

Accordingly, the condensed financial statements have been prepared on a going concern basis. Should AcrossAsia Group be unable to continue as a going concern, adjustments would have to be made to the condensed financial statements to adjust the value of AcrossAsia Group’s assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

2. ADOPTION OF NEW AND REVISED IFRSs

In the current period, AcrossAsia Group has adopted all the new and revised IFRSs that are relevant to its operations and effective for its accounting year beginning on 1st January 2016. IFRSs comprise International Financial Reporting Standards (“IFRS”); International Accounting Standards; and Interpretations. The adoption of these new and revised IFRSs did not have any significant effect on the condensed financial statements.

AcrossAsia Group has not early applied new and revised IFRSs that have been issued but are not yet effective for the financial year beginning on 1st January 2016. The directors anticipate that the new and revised IFRSs will be adopted in AcrossAsia Group’s consolidated financial statements when they become effective. AcrossAsia Group is in the process of assessing, where applicable, the potential effect of all new and revised IFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised IFRSs would have a material impact on its results of operations and financial position.

3. RETROSPECTIVE RESTATEMENT

PT First Media Tbk (“First Media”), a 55.1% owned company of the Company which was classified as a subsidiary previously, brought proceedings against the Company in Indonesia to recover the debt due under a facility agreement entered into between the Company and First Media on 30th June 2011. On 5th March 2013, the Indonesian Court issued a bankruptcy order (the “Indonesian Bankruptcy Order”) against the Company. On the same date, the Indonesian Court appointed three Indonesian Receivers as receivers and curators of the Company, in bankruptcy (the “Receivers”). However, as advised by the Company’s lawyers, the Company has not been wound up in the Cayman Islands where it is incorporated or in Hong Kong where it has its Head Office and principal place of business. Therefore, the Company’s Board of Directors continues to have authority to act for the Company outside Indonesia.

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

Notwithstanding the above, the consolidated financial statements of AcrossAsia Group for the years ended 31st December 2013, 2014 and 2015 include the financial position of First Media and its subsidiaries (collectively referred to as “First Media Group”) as at 31st December 2013, 2014 and 2015 and the results of First Media Group for the period from 5th March 2013 to 31st December 2013 and the years ended 31st December 2014 and 2015 as the directors considered that the Company was still appropriate to consolidate First Media Group due to the fact that the Indonesian Bankruptcy Order was yet to be finalised. Although the Company’s appeal to the Supreme Court of Indonesia against the Indonesian Bankruptcy Order was dismissed on 31st July 2013, the Company was entitled to make a final appeal by way of a petition for judicial review against the decision of the Supreme Court of Indonesia (the “Judicial Review”).

The petition for Judicial Review was filed on 2nd March 2016. On 12th October 2016 the Board was advised by its Indonesian Lawyers that its petition for the Judicial Review has been rejected by the Indonesian Supreme Court. As noted in Note 15 to the condensed financial statements, it is a decision reached by the highest level of the Indonesian court system. Consequently, if the official decision by the Indonesian Supreme Court is received by the Company, the Indonesian Bankruptcy Order would be deemed to have taken effect as of the date it was made by the Indonesian Court.

The Directors have reassessed the Company’s control over First Media based on IFRS 10 “Consolidated Financial Statements”, that the Company has lost control over First Media upon the appointment of the Receivers on 5th March 2013. Following the rejection of its petition for Judicial Review as explained above, the Directors concluded that the Company finally had lost control over First Media. Consequently, First Media ceased to be the subsidiary of the Company with effect from the date of appointment of the Receivers. The assets and liabilities of First Media Group should have been deconsolidated from the date control of First Media Group ceased on 5th March 2013. Accordingly, AcrossAsia’s consolidated financial statements for the year ended 31st December 2015 have been restated retrospectively.

The effects of retrospective restatement are summarised below:

(a) Condensed consolidated profit or loss for the nine months ended 30th September 2015

	As previously reported <i>HK\$'000</i>	Effect of restatement <i>HK\$'000</i>	As restated <i>HK\$'000</i>
Revenue	1,500,198	(1,500,198)	—
Cost of sales and services rendered	(755,133)	755,133	—
Gross profit	745,065	(745,065)	—
Interest income	8,528	(8,528)	—
Other income	188	(102)	86
Net exchange (losses)/gains	(184,141)	184,276	135
Selling and distribution expenses	(139,177)	139,177	—
General and administrative expenses	(914,066)	903,459	(10,607)
Loss from operations	(483,603)	473,217	(10,386)
Finance costs	(103,802)	101,699	(2,103)
Share of results of associates	(12,311)	12,311	—
Loss before tax	(599,716)	587,227	(12,489)
Income tax credit	100,986	(100,986)	—
Loss for the period	<u>(498,730)</u>	<u>486,241</u>	<u>(12,489)</u>
Loss attributable to:			
Owners of the Company	(201,058)	188,569	(12,489)
Non-controlling interests	(297,672)	297,672	—
	<u>(498,730)</u>	<u>486,241</u>	<u>(12,489)</u>
Loss per share attributable to owners of the Company			
Basic (<i>HK cents</i>)	<u>(3.97)</u>		<u>(0.25)</u>
Diluted (<i>HK cents</i>)	<u>N/A</u>		<u>N/A</u>

(b) Condensed consolidated profit or loss for the three months ended 30th September 2015

	As previously reported <i>HK\$'000</i>	Effect of restatement <i>HK\$'000</i>	As restated <i>HK\$'000</i>
Revenue	497,667	(497,667)	—
Cost of sales and services rendered	(262,705)	262,705	—
Gross profit	234,962	(234,962)	—
Interest income	1,958	(1,958)	—
Other expenses	(3)	3	—
Net exchange (losses)/gains	(103,544)	103,639	95
Selling and distribution expenses	(42,889)	42,889	—
General and administrative expenses	(305,003)	300,237	(4,766)
Loss from operations	(214,519)	209,848	(4,671)
Finance costs	(37,969)	37,241	(728)
Share of results of associates	288	(288)	—
Loss before tax	(252,200)	246,801	(5,399)
Income tax credit	43,047	(43,047)	—
Loss for the period	<u>(209,153)</u>	<u>203,754</u>	<u>(5,399)</u>
Loss attributable to:			
Owners of the Company	(86,946)	81,547	(5,399)
Non-controlling interests	<u>(122,207)</u>	<u>122,207</u>	<u>—</u>
	<u>(209,153)</u>	<u>203,754</u>	<u>(5,399)</u>
Loss per share attributable to owners of the Company			
Basic (<i>HK cents</i>)	<u>(1.72)</u>		<u>(0.11)</u>
Diluted (<i>HK cents</i>)	<u>N/A</u>		<u>N/A</u>

(c) **Condensed consolidated profit or loss and other comprehensive income for the nine months ended 30th September 2015**

	As previously reported <i>HK\$'000</i>	Effect of restatement <i>HK\$'000</i>	As restated <i>HK\$'000</i>
Loss for the period	(498,730)	486,241	(12,489)
Other comprehensive income:			
<i>Items that may reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations	(486,118)	507,403	21,285
Revaluation of available-for-sale financial assets	25,032	(516,111)	(491,079)
<i>Item that will not be reclassified to profit or loss:</i>			
Remeasurement losses on defined benefit pension plans	(102)	102	—
Total comprehensive income for the period	<u>(959,918)</u>	<u>477,635</u>	<u>(482,283)</u>
Total comprehensive income attributable to:			
Owners of the Company	(282,594)	(202,031)	(484,625)
Non-controlling interests	(677,324)	679,666	2,342
	<u>(959,918)</u>	<u>477,635</u>	<u>(482,283)</u>

(d) **Condensed consolidated profit or loss and other comprehensive income for the three months ended 30th September 2015**

	As previously reported <i>HK\$'000</i>	Effect of restatement <i>HK\$'000</i>	As restated <i>HK\$'000</i>
Loss for the period	(209,153)	203,754	(5,399)
Other comprehensive income:			
<i>Items that may reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations	(260,501)	272,459	11,958
Revaluation of available-for-sale financial assets	24,832	(414,434)	(389,602)
<i>Item that will not be reclassified to profit or loss:</i>			
Remeasurement gains on defined benefit pension plans	1,223	(1,223)	—
Total comprehensive income for the period	<u>(443,599)</u>	<u>60,556</u>	<u>(383,043)</u>
Total comprehensive income attributable to:			
Owners of the Company	(120,691)	(263,669)	(384,360)
Non-controlling interests	(322,908)	324,225	1,317
	<u>(443,599)</u>	<u>60,556</u>	<u>(383,043)</u>

(e) Condensed consolidated statement of financial position as at 31st December 2015

	As previously reported HK\$'000	Effect of restatement HK\$'000	As restated HK\$'000
Non-current assets			
Property, plant and equipment	3,402,540	(3,402,520)	20
Investments in associates	1,953	(1,953)	—
Available-for-sale financial assets	60,898	942,204	1,003,102
Goodwill	82,891	(82,891)	—
Other intangible assets	705,419	(705,419)	—
Deferred tax assets	425,893	(425,893)	—
Non-current prepayments, deposits and receivables	289,050	(288,656)	394
	<u>4,968,644</u>	<u>(3,965,128)</u>	<u>1,003,516</u>
Current assets			
Inventories	63,241	(63,241)	—
Trade receivables	162,695	(162,695)	—
Due from a related company	2	—	2
Prepayments, deposits and other current assets	468,054	(465,940)	2,114
Bank and cash balances	226,344	(226,185)	159
	<u>920,336</u>	<u>(918,061)</u>	<u>2,275</u>
TOTAL ASSETS	<u><u>5,888,980</u></u>	<u><u>(4,883,189)</u></u>	<u><u>1,005,791</u></u>
Capital and reserves			
Share capital	50,646	—	50,646
Reserves	48,841	276,711	325,552
Equity attributable to owners of the Company	99,487	276,711	376,198
Non-controlling interests	2,208,977	(2,222,261)	(13,284)
Total equity	<u>2,308,464</u>	<u>(1,945,550)</u>	<u>362,914</u>

	As previously reported <i>HK\$'000</i>	Effect of restatement <i>HK\$'000</i>	As restated <i>HK\$'000</i>
Non-current liabilities			
Employees' benefits obligations	74,785	(74,785)	—
Interest-bearing borrowings	788,993	(788,993)	—
Finance lease payables	179,134	(179,134)	—
Due to related companies	16,375	—	16,375
Deferred tax liabilities	244,152	(244,152)	—
	<u>1,303,439</u>	<u>(1,287,064)</u>	<u>16,375</u>
Current liabilities			
Interest-bearing borrowings	729,903	(636,903)	93,000
Finance lease payables	63,454	(63,454)	—
Other loan	—	362,502	362,502
Due to a related company	4,000	—	4,000
Trade payables	666,143	(666,143)	—
Receipts in advance	3,839	(3,839)	—
Other payables and accruals	799,101	(632,101)	167,000
Current tax payable	10,637	(10,637)	—
	<u>2,277,077</u>	<u>(1,650,575)</u>	<u>626,502</u>
Total liabilities	<u>3,580,516</u>	<u>(2,937,639)</u>	<u>642,877</u>
TOTAL EQUITY AND LIABILITIES	<u><u>5,888,980</u></u>	<u><u>(4,883,189)</u></u>	<u><u>1,005,791</u></u>

(f) Condensed consolidated statement of financial position as at 1st January 2015

	As previously reported HK\$'000	Effect of restatement HK\$'000	As restated HK\$'000
Non-current assets			
Property, plant and equipment	3,079,012	(3,078,986)	26
Investments in associates	14,671	(14,671)	—
Available-for-sale financial assets	61,493	1,487,367	1,548,860
Goodwill	92,658	(92,658)	—
Other intangible assets	1,029,111	(1,029,111)	—
Deferred tax assets	309,610	(309,610)	—
Non-current prepayments, deposits and receivables	447,429	(446,038)	1,391
	<u>5,033,984</u>	<u>(3,483,707)</u>	<u>1,550,277</u>
Current assets			
Trade receivables	142,826	(142,826)	—
Due from a related company	2	—	2
Prepayments, deposits and other current assets	541,012	(539,635)	1,377
Bank and cash balances	421,303	(421,138)	165
	<u>1,105,143</u>	<u>(1,103,599)</u>	<u>1,544</u>
TOTAL ASSETS	<u><u>6,139,127</u></u>	<u><u>(4,587,306)</u></u>	<u><u>1,551,821</u></u>
Capital and reserves			
Share capital	50,646	—	50,646
Reserves	384,151	498,183	882,334
Equity attributable to owners of the Company	434,797	498,183	932,980
Non-controlling interests	2,808,815	(2,823,664)	(14,849)
Total equity	<u>3,243,612</u>	<u>(2,325,481)</u>	<u>918,131</u>

	As previously reported <i>HK\$'000</i>	Effect of restatement <i>HK\$'000</i>	As restated <i>HK\$'000</i>
Non-current liabilities			
Employees' benefits obligations	60,165	(60,165)	—
Interest-bearing borrowings	977,456	(977,456)	—
Finance lease payables	132,292	(132,292)	—
Due to related companies	18,305	—	18,305
Deferred tax liabilities	229,720	(229,720)	—
	<u>1,417,938</u>	<u>(1,399,633)</u>	<u>18,305</u>
Current liabilities			
Interest-bearing borrowings	345,753	(252,753)	93,000
Finance lease payables	15,222	(15,222)	—
Other loan	—	362,502	362,502
Due to a related company	4,000	—	4,000
Trade payables	528,160	(528,160)	—
Receipts in advance	24,022	(24,022)	—
Other payables and accruals	504,854	(348,971)	155,883
Derivative financial liabilities	17,814	(17,814)	—
Current tax payable	37,752	(37,752)	—
	<u>1,477,577</u>	<u>(862,192)</u>	<u>615,385</u>
Total liabilities	<u>2,895,515</u>	<u>(2,261,825)</u>	<u>633,690</u>
TOTAL EQUITY AND LIABILITIES	<u><u>6,139,127</u></u>	<u><u>(4,587,306)</u></u>	<u><u>1,551,821</u></u>

4. FAIR VALUE MEASUREMENTS

The carrying amounts of AcrossAsia Group's financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

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

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

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

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

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

The recurring fair value measurements of AcrossAsia Group's available-for-sale financial assets are using the Level 1 of the fair value hierarchy.

5. REVENUE AND SEGMENT INFORMATION

AcrossAsia Group did not generate any revenue for the nine months ended 30th September 2016 (2015: Nil).

No segment information is presented as AcrossAsia Group does not have any operating segment.

6. LOSS FOR THE PERIOD

AcrossAsia Group's loss for the period is arrived at after charging:

Nine months ended 30th September	
2016	2015
HK\$'000	HK\$'000
(unaudited)	(unaudited) (restated)

Depreciation of property, plant and equipment

<u>10</u>	<u>9</u>
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7. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax is required since the Company has no assessable profit for the nine months ended 30th September 2016 (2015: Nil).

8. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the nine months ended 30th September 2016 (2015: Nil).

9. LOSS PER SHARE

(a) For the nine months ended 30th September 2016

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the nine months ended 30th September 2016 attributable to owners of the Company of approximately HK\$11,173,000 (2015: HK\$12,489,000, restated) and 5,064,615,385 (2015: 5,064,615,385) ordinary shares in issue during the year.

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary share during the nine months ended 30th September 2016 and 2015.

(b) For the three months ended 30th September 2016

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the three months ended 30th September 2016 attributable to owners of the Company of approximately HK\$5,136,000 (2015: HK\$5,399,000, restated) and 5,064,615,385 (2015: 5,064,615,385) ordinary shares in issue during the year.

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary share during the three months ended 30th September 2016 and 2015.

10. PROPERTY, PLANT AND EQUIPMENT

During the nine months ended 30th September 2016, AcrossAsia Group acquired property, plant and equipment of approximately HK\$2,000 (2015: HK\$7,000).

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30th September 2016 HK\$'000 (unaudited)	31st December 2015 HK\$'000 (restated)
Listed investments in First Media, at fair value	1,377,864	1,003,035
Other listed investments, at fair value	73	67
	<u>1,377,937</u>	<u>1,003,102</u>

In the published financial statements of First Media for the nine months ended 30th September 2016, the Company is still the registered owner of 55.1% shares in First Media as at 30th September 2016.

12. SHARE CAPITAL

	30th September 2016 HK\$'000 (unaudited)	31st December 2015 HK\$'000 (audited)
Authorised: 1,500,000,000,000 ordinary shares of HK\$0.01 each	<u>15,000,000</u>	<u>15,000,000</u>
Issued and fully paid: 5,064,615,385 ordinary shares of HK\$0.01 each	<u>50,646</u>	<u>50,646</u>

13. OTHER LOAN

Other loan represented an amount due to First Media which is unsecured, interest bearing at the prevailing LIBOR plus 4.75% per annum and was due for settlement on 30th June 2012. First Media has commenced arbitration and litigation proceedings against the Company to recover a total amount of US\$46,774,403 (equivalent to HK\$362,502,000), representing the principal amount of US\$44,000,000 together with accrued interest capped at US\$2,774,403. Details of the arbitration and litigation proceedings are set out in Note 15 to the condensed financial statements.

14. CAPITAL COMMITMENTS

The Company had no capital commitments as at 30th September 2016 and 31st December 2015.

15. GARNISHEE AND RELATED PROCEEDINGS

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 2016.

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.

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").

On 4th March 2015, the Company filed a summons ("the Company's Stay Application") seeking 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 and First Media's 3 Summonses were heard on 20th October 2015. On 8th December 2015, the Court delivered its decision as follows:

- (1) That the Company's Stay Application be granted, i.e. the stay of execution of the Garnishee Order Absolute be continued pending the final determination of AAL's Appeal and/or final determination of any appeal brought by First Media against Chow J's Decision;
- (2) In relation to First Media's 3 Summonses:
 - (i) That leave to appeal is required and that First Media be granted leave to appeal against Chow J's Decision;
 - (ii) That First Media's summons for variation of costs order nisi made in Chow J's Decision be allowed such that First Media shall pay 80% of Astro's costs, with certificate for three counsel; and
 - (iii) That the Unconditional Stay of Execution of the Garnishee Order Absolute be extended until the determination of First Media's appeal against Chow J's Decision.

Further, in its decision dated 8th December 2015, Chow J. stated at paragraph 36 that:

"Although I ultimately reached a conclusion which the Court of Appeal considered to be 'remarkable', I must recognize and accept that my decision is indeed exceptional."

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 2016, 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. First Media's appeal against Chow J's Decision is scheduled to be heard on 15th to 17th November 2016.

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"). The Astro Group alleged that they had incurred costs of more than HK\$11,000,000 in First Media's Hong Kong Setting Aside Application and more than HK\$33,000,000 in the Garnishee Proceedings and 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 as security for their costs claims. By consent of all parties, Astro's Cost Summons has been adjourned sine die with liberty to restore.

On 14th October 2016, the Astro Group filed a summons in AAL's Appeal (and a corresponding summons in First Media's appeal against the Garnishee Order Absolute) for leave to adduce further evidence relating to criminal proceedings in Indonesia in connection with the Indonesian Bankruptcy Order (see last section below). The Court has directed the Astro Group to confirm whether they would proceed with this application within 7 days after judgment of First Media's appeal against Chow J's Decision.

While the final outcome of the Hong Kong proceedings is yet to be determined, it is the Directors' opinion that the Group has good grounds to succeed in the litigation in Hong Kong.

Hong Kong Market Misconduct Tribunal ("MMT") Proceedings

Reference is made to the Company's Half Year Report 2016 and the update Announcement dated 8th November 2016.

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 ("Mr. Cheok") and Chief Executive Officer, Mr. Vicente Binalhay Ang ("Mr. Ang") (collectively referred to under this heading as the "Directors"). It is noted that Mr. Cheok retired from his position as the Chairman and Independent Non-Executive Director of the Board with effect from 26th August 2016 (see the Company's announcement dated 24th August 2016).

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.

At the third preliminary conference on 17th February 2016, the Company and Mr. Ang admitted having breached the disclosure provisions pursuant to sections 307B(1) and 307G(2)(a) of the Securities and Futures Ordinance (Cap. 571) (the "Ordinance") respectively. Mr. Cheok has submitted his written statement to the MMT on 6th June 2016 expressing regret that the Company had delayed in making an announcement regarding the PKPU petition. The substantive hearing commenced on 31st October 2016.

On 20th October 2016, the MMT dismissed Mr. Cheok's application to give evidence in his defence of the legal advice obtained by the Company. The MMT held that the legal professional privilege belonged to the Company and that this right to legal professional privilege was absolute and unquestionable.

On 2nd November 2016, Mr. Cheok admitted that he was in breach of the disclosure requirements under section 307G(2) of the Ordinance.

On 7th November 2016, the MMT having considered the evidence placed before it by way of admitted facts, concluded that each of the Company and the Directors had committed market misconduct by breaching the disclosure provisions of the Ordinance and such breaches were caused by negligence rather than recklessness or willful default. The MMT has not yet produced a written report of its findings. The MMT proceedings have been adjourned until 11th November 2016 for determination of consequential orders.

The Company continues to seek legal advice on its position in relation the MMT proceedings.

Singapore Court of Appeal's Decision

Reference is made to the Company's Half Year Report 2016. 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 were heard on 25th January 2016 and 1st February 2016 and First Media was awarded total costs of S\$650,000. Astro Group has paid the said costs awarded in full. 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 an assessment of damages was heard over four hearings in September 2014, January 2015, August 2015 and September 2015. The First Media application was dismissed in March 2016, but First Media has appealed to the Court of Appeal. First Media's appeal will be heard in February 2017.

As noted in the Company's Half Year Report 2016, the Board believes that the Singapore Court of Appeal's decision dated 11th September 2014 is highly favourable 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 announcement dated 4th September 2015 and 7th November 2016.

On 21st August 2015, the Company received a written decision of the Indonesian Supreme Court dismissing the Company's appeal to the Indonesian Supreme Court (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 was advised by its previous Indonesian lawyer that the Company has a final avenue of appeal by way of a petition for judicial review to the Indonesian Supreme Court ("Judicial Review") after the Company is in receipt of official notification of dismissal of the Indonesian Appeal.

Being prudent, the Company believed that it would be appropriate and did seek a second legal opinion/legal advice from another Indonesian lawyer. Based on the advice of the second Indonesian lawyer, the Company is entitled to file its petition for Judicial Review after the Company has received an officially served copy of the Indonesian Supreme Court's decision which in the opinion of the second Indonesian lawyer, has yet to be officially served on the Company. On 25th February 2016, the Company was officially served with a copy of the Indonesian Supreme Court's decision. On 2nd March 2016, the Company filed its petition for Judicial Review at the Indonesian Supreme Court (the "Petition").

On 12th October 2016, the Board was advised by its Indonesian Lawyers that the Petition had been rejected by the Indonesian Supreme Court as of 14th September 2016 ("Rejection") according to the latest information published on the website of the same court ("Information"). The Indonesian Lawyers further advised the Board that under the Indonesian law, the decision of the Indonesian Supreme Court will only be legally binding on the parties to the Proceedings when the court's official written decision ("Official Decision") is received by the parties. However, as of the date of this Third Quarterly Results, the Board has not received the Official Decision directly from the Indonesian Supreme Court or through the Indonesian Lawyers, and has not had an opportunity to verify the Information with the Indonesian Supreme Court. The Indonesian Lawyers have also confirmed in an email to the Board dated 7th November 2016 that they have not received the Official Decision.

According to the advice of the Indonesian Lawyers, an Official Decision cannot be appealed as it is a decision reached by the highest level of the Indonesian court system. Consequently, if the Official Decision confirms the Rejection and is received by the parties to the Proceedings, the Indonesian Bankruptcy Order would be deemed to have taken effect as of the date it was made by the Indonesian Court (i.e. 5th March 2013) and the Indonesian Bankruptcy Order would be enforceable (at least) against the Company's shares in First Media, and all other assets owned by the Company in Indonesia.

The Company is currently seeking financial and legal advice on the implications of the Indonesian Bankruptcy Order on the Company.

16. EVENTS AFTER THE REPORTING PERIOD

Details of events after the reporting period are set out in Note 15 to the condensed financial statements.

EMPHASIS OF MATTER IN THE INDEPENDENT REVIEW REPORT

The Independent Review Report on the Financial Statements is unqualified and contains the following emphasis of matter:

“Without qualifying our review conclusion, we draw your attention to Note 1 of the condensed financial statements which indicates the Group incurred a loss of HK\$11,173,000 for the nine months ended 30th September 2016 and as at 30th September 2016 the Group had net current liabilities of HK\$642,785,000. Furthermore, the Group had pending garnishee and related proceedings, details of which are disclosed in Note 15 to the condensed financial statements. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern.”

FINANCIAL REVIEW

AcrossAsia Group’s results for the nine months ended 30th September 2016 (“Nine-month Period”) were analysed as follows:

Revenue

After deconsolidation of First Media, AcrossAsia Group no longer has any operating subsidiaries or revenue.

Loss from Operations

AcrossAsia Group recorded a loss from operations of HK\$8,674,000 compared to HK\$10,386,000 (restated) for the same period in 2015 mainly due to cost saving measures. However, operating expenses during the period were substantially represented by legal and professional fees of HK\$5,923,000 (2015: HK\$7,584,000 (restated)) mainly arising from the Company’s ongoing litigations.

Loss attributable to Owners

AcrossAsia Group recorded a reduced loss attributable to the owners of the Company of HK\$11,173,000 compared to HK\$12,489,000 (restated) for the same period in 2015.

Financial resources and capital structure

As a result of the deconsolidation of First Media, AcrossAsia Group did not have any significant operations during the Nine-month Period. The value of its assets and its equity are mainly affected by the carrying amount of its investment in First Media, which is its only significant asset whose value is determined by the market price of shares of First Media and the exchange rate of the Indonesian Rupiah.

Although the Company is under Bankruptcy Order in Indonesia, its assets still exceeded its liabilities by HK\$718,270,000 as at 30th September 2016. However, its current liabilities exceeded its current assets by HK\$642,785,000 as at 30th September 2016. In addition, the Indonesian Bankruptcy Order may have an impact on the Company’s ability to realise its investment in First Media and therefore there is no assurance as to the amount that can be recovered from such realisation. The Directors have commenced discussions with representatives of shareholders of the Company, regarding the provision of financial support for a period of twelve months to allow the Company to continue as a going concern. Although no formal arrangement has yet been concluded, initial discussions have

been positive and the Directors believe there is a reasonable prospect that the shareholders will assist in arranging limited financial support for a period of twelve months to allow the Company to continue as a going concern and thus to adopt the going concern basis in preparing its financial statements.

BUSINESS REVIEW AND PROSPECTS

First Media was the principal operating subsidiary of the Company and its shares are its most valuable asset. Following the deconsolidation of First Media Group, the Company would no longer have a sufficient level of operations nor have any tangible assets of sufficient value and/or intangible assets of a sufficient potential value to support the continued listing of its securities on the Stock Exchange pursuant Rule 17.26 of GEM Listing Rules. The Company's situation is also aggravated by the significant uncertainties arising from both the timing and the outcome of its ongoing litigation and proceedings in Hong Kong and the impending implications of the Indonesian Bankruptcy Order, as detailed in Note 15 to the condensed financial statements. Based on preliminary legal advices obtained, the Directors understood that both issues may take years to resolve.

Due to material uncertainties as described above, the Directors are of the view that it would be difficult for the Company to, on its own, propose a plan to deal with the lack of sufficient operations under these circumstances. Consequently, the Company is now working closely with its legal and financial advisors to address these challenges and to identify the best course of action for the Company going forward. The Company may also seek advice from the Stock Exchange as and when appropriate.

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 six 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.

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 non-compliance with the CG Code during the Nine-month 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 Nine-month Period.

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

Hong Kong, 9th November 2016