

ACE ACHIEVE INFOCOM LIMITED
Company Registration No. 35423
(Incorporated in Bermuda)

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED REGARDING FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FULL YEAR RESULTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016

The Board of Directors (the "Board") of Ace Achieve Infocom Limited (the "Company", the Company and its subsidiaries to be collectively referred to as the "Group") refers to the queries from the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 26 July 2016 regarding the Financial Statements and Dividend Announcement for the 12 months ended 30 April 2016 and wish to respond to the queries as follows:

SGX Query 1:

In the "Financial Statements and Dividend Announcement for the 12 months ended April 30, 2016" (the "Announcement") announced by the Company, the Company announced revenue for the Financial Year ended April 30, 2016 ("FY2016") of RMB 237.6 million. However, it is noted that trade receivables amounted to RMB 352.1 million.

- (a) Please provide an aging analysis of the trade receivables and explain why this amount is higher than the revenue reported for FY2015.
- (b) If applicable, to disclose the reasons why the Company is not able to collect its debts promptly from its customers.

Company's response:

- (a) Trade receivables aging analysis:

| | Billed RMB 00 |
|--|--------------------|
| Not past due and not impaired | 19,488 |
| Past due but not impaired: | |
| - Past due 0 - 3 months | 850 |
| - Past due 3 - 6 months | 18,847 |
| - Past due 6 - 18 months | 2,506 |
| - Past due 18 - 30 months | 1,015 |
| - Past due over 30 months | 22,415 |
| | 45,633 |
| Billed trade receivables as at 30 April 2016 | 65,121 |
| | |
| | Unbilled RMB 00 |
| - Within 1 year | 8,596 |
| - 1 - 2 years | 12,707 |
| - 2 - 3 years | 73,439 |
| - 3 years and above | 192,266 |
| | 278,412 |
| Unbilled trade receivables as at 30 April 2016 | 287,008 |
| Total balances as at 30 April 2016 | 352,129 |

The outstanding trade receivables includes debts due from its customers for revenue earned in the previous financial years which remained outstanding as at 30 April 2016.

- (b) The customers will make payment based on payment schedules which may be more than 2 years. The trade receivables which are not yet billed to customers include large telecommunications companies in the People's Republic of China whereby approvals and instructions from such customers are necessary before billings are made, hence resulting in slower payment schedule.

SGX Query 2:

Similarly, please provide a breakdown of the 'other receivables' of RMB 170.06 million. As this amounts to 39% of the group NAV,

- (a) **please provide an aging analysis of the amounts outstanding and**
 (b) **provide specific details of the underlying transactions, including the terms of the agreements of the material item(s).**

Company's response:

Subsequent to the announcement of the Group results, an audit adjustment was made to net-off other receivables of RMB 61.89 million against trade payables. Accordingly, the other receivables has been reduced from RMB 170.06 million to RMB 108.17 million.

- (a) Other receivables aging analysis:

RMB'000

| | |
|------------------|----------------|
| Within 1 year | 91,959 |
| 1 year and above | 16,216 |
| | <u>108,175</u> |

- (b) Breakdown of the other receivables

RMB'000

| | |
|---|----------------|
| Other receivables - Third parties | 14,140 |
| Deposits | 510 |
| Loans/Advances to staff/sales representatives | 4,667 |
| Advances to suppliers | 88,858 |
| | <u>108,175</u> |

The other receivables include deposit, loans/advances to staffs/sales representatives and advances to suppliers for equipment. The advance payment to the suppliers is made in accordance to the terms stated in the procurement agreements entered with the suppliers.

SGX Query 3:

An issuer is required under paragraph 20 of Appendix 7.2 of the Listing Manual to disclose if there are any person(s) occupying a managerial position in the issuer or any of its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder.

Company's response:

Pursuant to Rule 704(13) of the Listing Manual of the SGX-ST, we confirm that none of the persons occupying managerial positions in the Company or any of its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

The Board of Directors collectively and individually takes responsibility for the accuracy of the aforesaid replies to the queries by the SGX-ST.

BY ORDER OF THE BOARD

Deng Zelin
Executive Chairman & Chief Executive Officer
28 July 2016