ACE ACHIEVE INFOCOM LIMITED

(Incorporated in Bermuda)

Financial Statements and Dividend Announcement for the 12 months ended April 30, 2017

PART I – INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT.

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

UNAUDITED GROUP RESULTS FOR 12 MONTHS ENDED APRIL 30, 2017

Statement of comprehensive income

	Group		
	Unaudited May 16 to Apr 17 RMB'000	**Audited May 15 to Apr 16 RMB'000**	**Change %**
Revenue	276,491	237,641	16
Cost of sales	(217,669)	(188,930)	15
Gross profit	**58,822**	**48,711**	21
Other operating income	4,131	4,088	1
Selling and distribution expenses	(8,081)	(7,132)	13
Administrative expenses	(16,435)	(14,280)	15
Other operating expenses	(3,651)	(1,912)	91
Finance expenses	(12,674)	(11,735)	8
Profit before income tax	**22,112**	**17,740**	25
Income tax expense	(3,187)	(2,557)	25
Net profit for the financial year	**18,925**	**15,183**	25
Total comprehensive income for the financial year	**18,925**	**15,183**	25
Attributable to:			
Equity holders of the Company	**18,925**	**15,183**	25

(a) Note: Profit before income tax was arrived at after charging/(crediting) the following:

	Unaudited	Audited
	May 16 to Apr 17	**May 15 to Apr 16**
	RMB'000	**RMB'000**
Depreciation of plant and equipment	333	463
PPE written off	-	203
Amortisation of intangible assets	2,523	3,035
Allowance for impairment of trade receivables	3,673	4,548
Write back of impairment of trade receivables	-	(1,021)
Write back of impairment of other receivables	-	(1,805)
Interest expenses	9,439	9,646
Provision for /(Reversal of) warranty	225	(1,969)
Interest income	(163)	(66)
Government incentives received	(3,950)	(2,038)

(b) (i) A statement of financial position (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Company		The Group	
	30-Apr-17	30-Apr-16	30-Apr-17	30-Apr-16
	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Audited	Unaudited	Audited
ASSETS				
Current Assets				
Contract work-in-progress	-	-	374,024	327,463
Trade receivables	-	-	315,769	352,129
Other receivables	1	64	79,105	108,175
Due from subsidiaries (non-trade)	160,153	162,215	-	-
Cash and bank balances	4	4	30,630	74,186
Total current assets	160,158	162,283	799,528	861,953
Non-Current Assets				
Plant and equipment	-	-	529	839
Investment in subsidiaries	15,646	15,646	-	-
Intangible assets	-	-	9,534	8,073
Total non-current assets	15,646	15,646	10,063	8,912
Total assets	**175,804**	**177,929**	**809,591**	**870,865**

	The Company		The Group	
	30-Apr-17	30-Apr-16	30-Apr-17	30-Apr-16
	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Audited	Unaudited	Audited
LIABILITIES AND EQUITY				
Current Liabilities				
Trade payables	-	-	66,178	112,831
Other payables and accruals	1,514	1,522	65,137	48,932
Due to directors (non-trade)	59	59	1,153	1,134
Due to a related party	-	-	100	2,208
Provision for warranty	-	-	3,779	3,554
Borrowings	-	-	169,416	211,390
Current tax liabilities	-	-	18,407	13,060
Total current liabilities	1,573	1,581	324,170	393,109
Non-Current Liabilities				
Borrowings	-	-	9,900	19,000
Deferred tax liabilities	-	-	24,246	26,406
Total non-current liabilities	-	-	34,146	45,406
Total liabilities	**1,573**	**1,581**	**358,316**	**438,515**
Capital and Reserves attributable to equity holder of the Company				
Share capital	92,938	92,938	92,938	92,938
Share premium	85,226	85,226	85,226	85,226
Statutory reserves	-	-	34,858	31,999
Capital reserve	-	-	3,332	3,332
(Accumulated losses) / Retained earnings	(3,933)	(1,816)	234,921	218,855
Total equity	**174,231**	**176,348**	**451,275**	**432,350**
Total liabilities and equity	**175,804**	**177,929**	**809,591**	**870,865**

1(b)(ii) Aggregate amount of Group's borrowings and debts securities

Amount repayable in 1 year or less, or on demand

Group April 30, 2017 Unaudited		Group April 30, 2016 Audited	
Secured **RMB'000**	**Unsecured** **RMB'000**	**Secured** **RMB'000**	**Unsecured** **RMB'000**
169,416	-	211,390	-

Amount repayable after 1 year

Group April 30, 2017 Unaudited		Group April 30, 2016 Audited	
Secured **RMB'000**	**Unsecured** **RMB'000**	**Secured** **RMB'000**	**Unsecured** **RMB'000**
9,900	-	19,000	-

	Group	
	April 30, 2017 **RMB'000**	**April 30, 2016** **RMB'000**
Borrowings comprised		
- **Bank loans**	97,500	100,410
- **Notes payable**	-	29,980
- **Letter of credit**	81,816	100,000
	179,316	230,390

Details of any collateral

As at April 30, 2017 and April 30, 2016, the Group's borrowings comprised mainly bank loans, notes payables (FY2016) and letter of credit. Bank borrowings are secured over certain trade receivables; intangible assets; guaranteed by a director of the Company; third parties; a key management personnel; third parties financial institutions; and certain restricted bank balances.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Unaudited May 16 to Apr 17 RMB'000	Audited May 15 to Apr 16 RMB'000
Cash Flows from Operating Activities		
Profit before income tax	22,112	17,740
Adjustments for :		
Amortisation of intangible assets	2,523	3,035
Allowance for impairment of trade receivables	3,673	4,548
Write back of impairment of trade receivables	-	(1,021)
Write back of impairment of other receivables	-	(1,805)
Provision for/(Reversal of) warranty	225	(1,969)
Depreciation of plant and equipment	333	463
Plant and equipment written off	-	203
Interest expense	9,439	9,646
Interest income	(163)	(66)
Operating cash flow before working capital changes	38,142	30,774
Contract work-in-progress	(46,561)	(90,021)
Trade receivables	32,687	127,595
Other receivables	29,070	(29,653)
Trade payables	(46,653)	15,608
Other payables, accruals and provision	2,930	(10,174)
Cash from operations	9,615	44,129
Income tax paid	-	(23)
Interest paid	(9,616)	(9,580)
Net cash (used in) / generated from operating activities	(1)	34,526

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Unaudited May 16 to Apr 17 RMB'000	Audited May 15 to Apr 16 RMB'000
Cash Flows from Investing Activities		
Additions of plant and equipment	(23)	(56)
Additions of intangible assets	(3,984)	(2,130)
Interest received	163	66
Repayment from a related party	-	135
Net cash used in investing activities	(3,844)	(1,985)
Cash flows from Financing Activities		
Proceeds from bank borrowings	160,316	175,910
Repayment of bank borrowings	(211,390)	(142,859)
Repayment to related parties	(2,108)	(3,869)
Loans from third parties and financial institutions	30,000	66,051
Repayment to third parties and financial institutions	(16,548)	(70,953)
Advances from/(Repayment to)directors	19	(1)
Movements in restricted bank balances	18,563	(30,186)
Net cash used in financing activities	(21,148)	(5,907)
Net (decrease) / increase in cash and cash equivalents	(24,993)	26,634
Cash and cash equivalents at the beginning of the financial year	28,858	2,224
Cash and cash equivalents at the end of the financial year	3,865	28,858
Cash and bank balances	30,630	74,186
Less: Restricted bank balances	(26,765)	(45,328)
Cash and cash equivalents for the purpose of presentation in the consolidated statement of cash flows	3,865	28,858

1 (d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to equity holders of the Company					
	Share capital	**Share premium**	**Statutory reserves**	**Capital reserve**	**Retained earnings**	**Total**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
Group						
Balance at 01.05.2015	92,938	85,226	29,713	3,332	205,958	417,167
Total comprehensive income for the financial year	-	-	-	-	15,183	15,183
Transfer to statutory reserves	-	-	2,286	-	(2,286)	-
Balance at 30.04.2016	92,938	85,226	31,999	3,332	218,855	432,350
Balance at 01.05.2016	92,938	85,226	31,999	3,332	218,855	432,350
Total comprehensive income for the financial year	-	-	-	-	18,925	18,925
Transfer to statutory reserves	-	-	2,859	-	(2,859)	-
Balance at 30.04.2017	92,938	85,226	34,858	3,332	234,921	451,275

	Share capital	**Share premium**	**Retained earnings / (Accumulated losses)**	**Total**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Company				
Balance at 01.05.2015	92,938	85,226	259	178,423
Total comprehensive loss for the financial year	-	-	(2,075)	(2,075)
Balance at 30.04.2016	92,938	85,226	(1,816)	176,348
Balance at 01.05.2016	92,938	85,226	(1,816)	176,348
Total comprehensive loss for the financial year	-	-	(2,117)	(2,117)
Balance at 30.04.2017	92,938	85,226	(3,933)	174,231

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and number of subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Number of ordinary shares issued and fully paid	
As at April 30, 2016	752,000,000
As at April 30, 2017	752,000,000

There were no outstanding convertibles, treasury shares and subsidiary holdings as at 30 April 2016 and 30 April 2017.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30 April 2017	As at 30 April 2016
Total number of issued shares	752,000,000	752,000,000
Less: Treasury shares	-	-
Number of issued shares excluding treasury shares	752,000,000	752,000,000

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

During the current financial year and the immediately preceding financial year, the Company does not have any outstanding treasury shares.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial year reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group and the Company has applied the same accounting policies and methods of computation in the financial statements for the current financial year ended 30 April 2017 compared to the audited financial statements for the previous financial year ended 30 April 2016, except for the adoption of the new and revised Financial Reporting Standards ("FRS"), that are relevant to the Group and the Company and effective for annual periods beginning on or after 1 May 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of , the change.

The adoption of the new and revised FRS, that are relevant to the Group and the Company and effective from 1 May 2016, as mentioned in Paragraph 4 above, has no material impact on the financial statements of the Group and the Company for the current financial year reported on.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

Earnings per ordinary share for the year based on net profit attributable to shareholders	**Unaudited (12 months) May 16 to Apr 17**	**Audited (12 months) May15to Apr 16**
Based on weighted average number of ordinary shares on issue (RMB)	0.025	0.020
On a fully diluted basis	0.025	0.020

Note:

There is no dilutive instrument outstanding, hence the diluted earnings per share is the same as the basic earnings per share.

7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) Current financial period reported on; and
(b) immediately preceding financial year.

	Company		**Group**	
	Unaudited Apr 30, 2017	**Audited Apr 30, 2016**	**Unaudited Apr 30, 2017**	**Audited Apr 30, 2016**
Net asset value per ordinary share based on the issued capital at the end of the year (RMB)	0.23	0.23	0.60	0.57
Number of shares used in calculating net asset value	752,000,000	752,000,000	752,000,000	752,000,000

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Income statement

Revenue

The Group's revenue increased by approximately 16% from RMB237.64 million in FY2016 to RMB276.49 million in FY2017.

The increase in revenue is from the ICT System Integration segment and the Business Support Solutions segment due to the increase in the number of projects the Group has during the current year. The decrease in revenue from the maintenance and servicing segment is due to faster replacement or upgrading by customers with newer telecommunication equipment which require lesser maintenance and/or servicing.

Division	May 16 to Apr 17		May 15 to Apr 16	
	Revenue RMB'000	Sales mix ratio (%)	Revenue RMB'000	Sales mix ratio (%)
ICT System Integration	167,237	60.49	127,197	53.52
Business Support Solutions	101,977	36.88	91,946	38.70
Maintenance & Servicing	7,277	2.63	18,498	7.78
Total	**276,491**	**100.00**	**237,641**	**100.00**

Gross profit and Gross profit margin

The Group's gross profit increased from RMB48.71 million in FY2016 to RMB RMB58.82 million in FY2017.This is mainly due to the increase in revenue from the Business Support Solutions segment during the current year which generally has higher margins.

Other operating income

The Group's other operating income increased from RMB4.09 million in FY2016 to RMB4.13 million in FY2017. This is mainly due to higher level of grants received from the local government.

Selling and distribution expenses

The Group's selling and distribution expenses increased from RMB7.13 million in FY2016 to RMB8.08 million in FY2017. This is mainly due to increase in headcount for projects the Group has during the current year.

Administrative expenses

The Group's administrative expenses increased from RMB14.28 million in FY2016 to RMB16.44 million in FY2017. This is mainly due to higher professional fees for technical/brand promotion related services incurred during the current year.

Other operating expenses

The Group's other operating expenses increased from RMB1.92 million in FY2016 to RMB3.65 million in FY2017. In the previous year, there was a write back of impairment of other receivable of RMB1.80 million included in other operating expenses.

Finance expenses

The Group's finance expenses increased from RMB11.74 million in FY2016 to RMB12.67 million in FY2017. The increase was mainly attributable to higher letter of credit charges incurred as a result of more letter of credits issued.

Balance sheet

Cash and bank balances

Cash and bank balances decreased from RMB74.19 million as at 30 April 2016 to RMB30.63 million as at 30 April 2017. This is mainly due to higher level of payments made to trade payables and significant repayments of bank borrowings.

Trade receivables

Trade receivables decreased from RMB352.13 million as at 30 April 2016 to RMB315.77 million as at 30 April 2017. This is mainly due to higher level collection of receivables during the current year.

Other receivables

Other receivables decreased from RMB108.18 million as at 30 April 2016 to RMB79.11 million as at 30 April 2017. This is mainly due to lesser advances made to suppliers towards the end of the current year.

Contract work-in-progress

Contract work-in-progress increased from RMB327.46 million as at 30 April 2016 to RMB374.02 million as at 30 April 2017. This is mainly due to the increase in projects namely in the ICT System Integration segment.

Trade payables

Trade payables decreased from RMB112.83 million as at 30 April 2016 to RMB66.18 million as at 30 April 2017. This is mainly due to higher level of payments made to suppliers during the current year.

Cash flow

Net cash (used in) / generated from operating activities

Net cash outflow from operating activities was RMB1,000 for the current year as compared with a net cash inflow of RMB34.53 million for the previous year. This is mainly due to higher level of repayments made to trade payables during the current year.

Net cash used in investing activities

Net cash outflow from investing activities was RMB3.84 million for the current year as compared with a net cash outflow of RMB1.99 million for the previous year. This is mainly due to increase in additions of intangible assets during the current year.

Net cash used in financing activities

Net cash outflow from financing activities was RMB21.15 million for the current year as compared with a net cash outflow of RMB5.91 million for the previous year. This is mainly due to significant repayment of bank borrowings during the current year.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

For the financial year ended 30 April 2017, there is a continuing slowdown in launching of the 4G business by the telecommunication operators. As a result, competition was fierce and may continue to impact the Group's business performance.

The Group will continue to invest in new technology and upgrading to seek more business opportunities in the 4G businesses structure and foster new business growth in telecommunications software, hardware and service, mobile Internet and internet+, through investment in research and development and product innovation.

11. Dividend

(a) **Current financial period reported on**

Any dividend declared for the current financial period reported on?

No dividends have been declared for the current financial period reported on.

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividends have been declared for the corresponding period of the immediately preceding financial year.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend is recommended for the period under review.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1) (a) (ii).If no IPT mandate has been obtained, a statement to that effect.

The Group did not obtain a general mandate from shareholders for IPTS.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7 under Rule 720(1)

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Geographical segments are not presented as the Group operates predominantly in the PRC. Revenue of approximately RMB79,889,000 (2016: RMB136,002,000) is derived from 3 (2016: 3) external customers located in the PRC. Assets of the Group are mainly located in the PRC.

Business Segments

	ICT System Integration	Business Support Solutions	Maintenance & Servicing	Total
	RMB'000	RMB'000	RMB'000	RMB'000
2017				
Revenue	167,237	101,977	7,277	276,491
Cost of sales	(157,974)	(52,960)	(6,735)	(217,669)
Segment result	9,263	49,017	542	58,822
Gross profit margin	5.5%	48%	7.4%	
Unallocated other income				4,131
Unallocated costs				(28,167)
Finance expenses				(12,674)
Profit before income tax				22,112
Income tax expense				(3,187)
Net profit after income tax				18,925
Assets and Liabilities				
Unallocated assets and total assets				809,591
Unallocated liabilities and total liabilities				358,316

	ICT System Integration	Business Support Solutions	Maintenance & Servicing	Total
	RMB'000	RMB'000	RMB'000	RMB'000
2016				
Revenue	127,197	91,946	18,498	237,641
Cost of sales	(119,932)	(53,393)	(15,605)	(188,930)
Segment result	7,265	38,553	2,893	48,711
Gross profit margin	5.7%	41.9%	15.6%	
Unallocated other income				4,088
Unallocated costs				(23,324)
Finance expenses				(11,735)
Profit before income tax				17,740
Income tax expense				(2,557)
Net profit after income tax				15,183
Assets and Liabilities				
Unallocated assets and total assets				870,865
Unallocated liabilities and total liabilities				438,515

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

17. Breakdown of sales as follows:

	THE GROUP				
	FY2017 RMB'000		**FY2016 RMB'000**		**% change**
(a) Sales reported for first half year	163,915		125,051		31.08
(b) Operating profit after tax before deducting minority interests reported for first half year	11,171		16,006		(30.21)
(a) Sales reported for second half year	112,576		112,590		(0.01)
(b) Operating profit / (loss) after tax before deducting minority interests reported for second half year	7,754		(823)		NA

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

Not applicable. There was no dividend declared or paid for FY2017 and FY2016.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Not applicable.

BY ORDER OF THE BOARD

Deng Zelin
Executive Chairman
29 June 2017