

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

**RESPONSE TO SGX'S QUERY ON THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED
30 APRIL 2015**

The Board of Directors (the "Board") of Ace Achieve Infocom Limited (the "Company") wishes to clarify the following by way of response to the SGX-ST's query on 29 September 2015 over the Company's Annual Report 2015:

SGX Query 1:

In response 1(a) of the Company's Announcement on 22 September 2015 to questions on its FY2015 Annual Report (the "Announcement"), the Company announced that the RMB 346.8 million unbilled trade receivables were "to customers who are 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."

Please provide further disclosure on the following:

- i) Under the milestones in the relevant contract, when should the "approvals and instructions from such customers" happen; and
- ii) Why have these "approvals and instructions from such customers" not been carried out yet over the last 5 years for work done as far back as "FY2010 and above".

Company's response:

- i) The "approvals and instructions from such customers" should happen after the Group completes the major project milestones, which include product delivery/services rendered, initial inspection and final inspection by the customers.

Notwithstanding that the Group has fully performed its contractual obligations under the terms of the contract, invoices can only be issued upon the approvals and instructions of the customers.

- ii) These comprise mainly one project where approval and instructions were not obtained due to the re-organisation of the customer's project department. As of to date, the Group has received approval and instruction from this customer and has commenced the billings.

SGX Query 2:

In relation to response 3 of the Announcement on “outstanding contract work-in-progress” amounting to RMB237,442,000, please provide further disclosure on the following details of and a breakdown of these long outstanding projects, including details on the identity of the customer, the nature of the projects, the cause of delays of these projects and the expected completion date of these projects.

Company’s response:

Customers	Nature of the projects	WIP Amount	Expected completion date	Cause of delays of these projects
		RMB'000		
Customer A	Business Support Solutions	128,381	December 2015	Some of the projects’ specifications were changed due to internal restructuring within the customer’s organisation and requirement. Some of the projects require the collective inspection with all hardware and software suppliers which affect the Group’s progress with the relevant equipment or service update.
	ICT System Integration	60,450	October 2015	
	Maintenance & Servicing	6,913	December 2015	
Customer B	Business Support Solutions	1,044	January 2016	Part of the project implementation timeline has been moderated. This has caused a delay in project schedule. However, the project has now been completed and is undergoing final inspection.
Customer C	Business Support Solutions	14,455	October 2015	Some of the projects’ implementation timeline has been moderated. This has caused a delay in project schedule. Some of the projects’ hardware and software installation have been completed according to schedule and have now entered into the final inspection phase.
	ICT System Integration	779	January 2016	
Others	Business Support Solutions	5,472	December 2015	There were changes in project specifications as a result of end customers’ requirement. As a result, there was a re-alignment in project specifications with the customers which have caused the delay in project schedule. Some of the projects have been completed and now awaits final inspection.
	ICT System Integration	19,748	Project Completed	
	Maintenance & Servicing	200	January 2016	

237,442

SGX Query 3:

In the Company's Announcement, it did not respond specifically to the question "why products prior to 2010 are still not developed". Please elaborate.

Company's response:

There were changes in the project specifications from 3G to 4G network, hence the products under development have to be reviewed and revamped. As a result, there are still stages of the new product development which are still underway since 2010.

BY ORDER OF THE BOARD

Deng Zelin
Executive Chairman & Chief Executive Officer

30 September 2015