

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

**RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED
REGARDING THE FULL YEAR RESULTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017**

The Board of Directors (the "Board") of Ace Achieve Infocom Limited (the "Company", together with its subsidiaries, the "Group") refers to the queries from the Singapore Exchange Securities Trading Limited (the "Exchange" or "SGX") on 25 July 2017 and respond as follows:-

SGX Query 1:

In regards to SGX Query 1 on why the Company is unable to collect its debts promptly from its customers, the Company has responded that, *"(ii) 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 these customers are necessary before billings are made. The Company is constantly communicating with the customers to expedite the process to obtain approval and instruction for billing."*

- i. Please explain why the Company needs to wait for instructions before billings are made and why such instructions were not forthcoming after more than 3 years. Does the sales and purchase agreement allow the Company to bill when work is completed?
 - ii. Please identify, list and provide details on these customers. What were the services rendered and why is the Company unable to bill the customers if the services were rendered and the work completed? Does the sales and purchase agreement allow the Company to bill when work is completed?
- i. The projects are for customers which are large telecommunication companies and it involves various departments and level of approvals within the customers' organisation before the Company is able to bill the customers for the goods and services rendered. Staff turnover in the customers' companies also caused the delay in getting the approvals for billings to be made.

The Company's sale agreement includes standard payment schedule terms. However, in practice and for maintaining on-going business relationship with these large telecommunication companies the Company would usually obtain approval and instruction from these customers before billings are made. Notwithstanding this, the Company is constantly communicating with the customers to expedite their payment schedules.

- ii. The large telecommunications companies are namely:

	As at 30 April 2017	
	Billed RMB'000	Unbilled RMB'000
China Unicom	9,962	144,855
China Telecom	2,828	5,384

The services rendered by the Company to these customers are mainly telecommunication integration and solution contracts which involves software and hardware support for systems such as operating systems, network security systems, data analysis systems and customer management systems.

As explained in (i) above, the projects involves various departments and level of approvals within the customers' organisation before the Company is able to bill the customers for the goods and services rendered. Staff turnover in the customers' companies also caused the delay in getting the approvals for billings to be made.

As explained in (i) above, the Company's sale agreement includes standard payment schedule terms. However, in practice and for maintaining on-going business relationship with these large telecommunication companies the Company would usually obtain approval and instruction from these customers before billings are made. Notwithstanding this, the Company is constantly communicating with the customers to expedite their payment schedules.

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 and Chief Executive Officer

27 July 2017