

ACE ACHIEVE INFOCOM LIMITED

(Incorporated in Bermuda)

Financial Statements and Dividend Announcement for the 12 months ended April 30, 2016

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, 2016 Statement of comprehensive income

	Group		Change %
	Unaudited	Audited	
	May 15 to Apr 16 RMB'000	May 14 to Apr 15 RMB'000	
Revenue	237,641	235,295	1
Cost of sales	(188,930)	(175,188)	8
Gross profit	48,711	60,107	-19
Other operating income	4,088	1,411	190
Selling and distribution expenses	(7,132)	(10,367)	-31
Administrative expenses	(14,280)	(17,405)	-18
Other operating expenses	(1,912)	(2,339)	-18
Finance expenses	(11,735)	(16,240)	-28
Profit before income tax	17,740	15,167	17
Income tax expense	(2,557)	(2,126)	20
Net profit for the financial year	15,183	13,041	16
Total comprehensive income for the financial year	15,183	13,041	16
Attributable to:			
Equity holders of the Company	15,183	13,041	16

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

	Unaudited	Audited
	May 15 to Apr 16	May 14 to Apr 15
	RMB'000	RMB'000
Depreciation of plant and equipment	463	542
PPE written off / Loss on disposal of PPE	203	-
Amortisation of intangible assets	3,035	3,288
Allowance for impairment of trade receivables	3,542	2,336
(Write back) of impairment of other receivables	(1,805)	-
Interest expenses	9,646	14,899
(Write back) / provision for warranty	(1,969)	1,176
Interest income	(66)	(89)
Government incentives received	(2,038)	(1,303)

- (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-16	30-Apr-15	30-Apr-16	30-Apr-15
	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Audited	Unaudited	Audited
ASSETS				
Current Assets				
Contract work-in-progress	-	-	314,308	237,442
Trade receivables	-	-	352,129	483,251
Other receivables	64	16	170,055	76,717
Due from subsidiaries (non-trade)	162,215	166,586	-	-
Due from related parties (non-trade)	-	-	-	135
Cash and bank balances	4	4	74,186	17,366
Total current assets	162,283	166,606	910,678	814,911
Non-Current Assets				
Plant and equipment	-	-	839	1,449
Investment in subsidiaries	15,646	15,646	-	-
Intangible assets	-	-	8,073	8,978
Total non-current assets	15,646	15,646	8,912	10,427
Total assets	177,929	182,252	919,590	825,338

	The Company		The Group	
	30-Apr-16	30-Apr-15	30-Apr-16	30-Apr-15
	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Audited	Unaudited	Audited
LIABILITIES AND EQUITY				
Current Liabilities				
Trade payables	-	-	152,565	97,223
Other payables and accruals	1,522	3,770	57,923	63,942
Due to directors (non-trade)	59	59	1,134	1,135
Due to a related party	-	-	2,208	6,077
Provision for warranty	-	-	3,554	5,523
Borrowings	-	-	211,390	191,339
Current tax liabilities	-	-	13,060	-
Total current liabilities	1,581	3,829	441,834	365,239
Non-Current Liabilities				
Borrowings	-	-	19,000	6,000
Deferred tax liabilities	-	-	26,406	36,932
Total non-current liabilities	-	-	45,406	42,932
Total liabilities	1,581	3,829	487,240	408,171
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	-	-	31,999	29,713
Capital reserve	-	-	3,332	3,332
(Accumulated losses) / Retained earnings	(1,816)	259	218,855	205,958
Total equity	176,348	178,423	432,350	417,167
Total liabilities and equity	177,929	182,252	919,590	825,338

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, 2016 Unaudited		Group April 30, 2015 Audited	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
211,390	-	191,339	-

Amount repayable after 1 year

Group April 30, 2016 Unaudited		Group April 30, 2015 Audited	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
19,000	-	6,000	-

	Group	
	April 30, 2016 RMB'000	April 30, 2015 RMB'000
Borrowings comprised		
- Bank loans	100,410	167,339
- Notes payable	29,980	30,000
- Letter of credit	100,000	-
	<u>230,390</u>	<u>197,339</u>

Details of any collateral

As at April 30, 2016 and April 30, 2015, the Group's borrowings comprised of mainly bank loans, notes payables and letter of credit. Bank borrowings are secured over certain intangible assets; guaranteed by a director of the Company; third parties; a key management personnel and third parties financial institutions.

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 15 to Apr 16 RMB'000	Audited May 14 to Apr 15 RMB'000
Cash Flows from Operating Activities		
Profit before income tax	17,740	15,167
Adjustments for :		
Amortisation of intangible assets	3,035	3,288
Depreciation of plant and equipment	463	542
Plant and equipment written off	203	-
Finance expenses	11,735	16,240
Interest income	(66)	(89)
Operating cash flow before working capital changes	33,110	35,148
Contract work-in-progress	(76,866)	(47,138)
Trade receivables	131,122	26,454
Other receivables	(93,338)	(9,884)
Trade payables	55,342	53,030
Other payables, accruals and provisions	(3,086)	34,678
Cash from / (used in) operations	46,284	92,288
Income tax paid	(23)	-
Interest paid	(11,735)	(12,595)
Net cash generated from operating activities	34,526	79,693
Cash Flows from Investing Activities		
Additions of plant and equipment	(56)	(340)
Additions of intangible assets	(2,130)	(2,773)
Interest received	66	89
Repayments from a related party	135	6,036
Net cash (used in) / generated from investing activities	(1,985)	3,012

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Unaudited May 15 to Apr 16 RMB'000	Audited May 14 to Apr 15 RMB'000
Cash flows from Financing Activities		
Proceeds from bank borrowings	175,910	197,913
Repayments of bank borrowings	(142,859)	(344,618)
Advances from a related party, net	-	20,197
Repayments to related parties, net	(3,869)	(15,120)
Loans from third parties	66,051	42,619
Repayments to third parties	(70,953)	(33,137)
(Repayment to) / Advances from directors	(1)	806
Dividends paid	-	(1,504)
Movements in restricted bank balance	(30,186)	(9,973)
Net cash used in financing activities	(5,907)	(142,817)
Net increase / (decrease) in cash and cash equivalents	26,634	(60,112)
Cash and cash equivalents at the beginning of the financial year	2,224	62,336
Cash and cash equivalents at the end of the financial year	28,858	2,224
Cash and bank balances	74,186	17,366
Less: Restricted bank balances	(45,328)	(15,142)
Cash and cash equivalents for the purpose of presenting the consolidated statement of cash flows	28,858	2,224

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 01.05.2014	92,938	85,226	27,616	3,332	196,518	405,630
Total comprehensive income for the financial year	-	-	-	-	13,041	13,041
Dividends	-	-	-	-	(1,504)	(1,504)
Transfer to statutory reserves	-	-	2,097	-	(2,097)	-
Balance at 30.04.2015	92,938	85,226	29,713	3,332	205,958	417,167
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

	Share capital	Share premium	Retained earnings / (Accumulated losses)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	Company			
Balance at 01.05.2014	92,938	85,226	4,691	182,855
Total comprehensive loss for the financial year	-	-	(2,928)	(2,928)
Dividends	-	-	(1,504)	(1,504)
Balance at 30.04.2015	92,938	85,226	259	178,423
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

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

Number of ordinary shares issued and fully paid	
As at April 30, 2015	752,000,000
As at April 30, 2016	752,000,000

There were no outstanding convertibles or treasury shares as at 30 April 2015 and 30 April 2016.

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 2016	As at 30 April 2015
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, disposal, 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.

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 compared to the audited financial statements for the financial year 30 April 2015, except for the adoption of the new and revised Financial Reporting Standards ("FRS"), Interpretations of FRS ("INT FRS") and amendments to FRSs that are relevant to its operations and effective for annual periods beginning on or after 1 May 2015.

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, INT FRSs and amendments to FRSs effective from 1 May 2015, as mentioned in Paragraph 4 above, has no material financial impact on the financial statements of the Group and Company for the 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:-**

	Unaudited (12 months) May 15 to Apr 16	Audited (12 months) May 14 to Apr 15
Earnings per ordinary share for the year based on net profit attributable to shareholders		
Based on weighted average number of ordinary shares on issue (RMB)	0.020	0.017
Weighted average number of ordinary shares on issue for basic earnings per share	752,000,000	752,000,000

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, 2016	Audited Apr 30, 2015	Unaudited Apr 30, 2016	Audited Apr 30, 2015
Net asset value per ordinary share based on the issued capital at the end of the year (RMB)	0.23	0.24	0.57	0.55
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 1% from RMB235.30 million in FY2015 to RMB237.64 million in FY2016.

Division	May 15 to Apr 16		May 14 to Apr 15	
	Revenue RMB'000	Sales mix ratio (%)	Revenue RMB'000	Sales mix ratio (%)
ICT System Integration	127,197	53.52	150,766	64.08
Business Support Solutions	91,946	38.70	72,401	30.77
Maintenance & Servicing	18,498	7.78	12,128	5.15
Total	237,641	100.00	235,295	100.00

Gross profit and Gross profit margin

The Group's gross profit decreased from RMB60.11 million in FY2015 to RMB RMB48.71 million in FY2016. It was mainly due to the decrease in the gross profit of ICT System Integration which contributed the largest percentage of the Group's revenue. Due to keen competition in the ICT System Integration in the second half of the financial year, a lower gross margin was recorded for the Group in FY2016.

Other operating income

The Group's other operating income increased from RMB1.41 million in last financial year to RMB4.09 million in the current financial year. This is mainly due to the reversal of provision of warranty which is no longer required in the current financial year.

Selling and distribution expenses

The Group's selling and distribution expenses decreased by 31% from RMB10.37 million in last financial year to RMB7.13 million in the current financial year. It was mainly due to reduced headcount in FY2016 as compared to prior year.

Administrative expenses

The Group's administrative expenses decreased by 18% from RMB17.41 million in last financial year to RMB14.28 million in the current financial year. It was mainly due to reduced general office expenses, recruitment fees and reduced headcount during the current financial year.

Other operating expenses

Other operating expenses decreased from RMB2.34 million in last financial year to RMB1.91 million in the current financial year. This was mainly due to the reduced net allowance for impairment of receivables.

Finance expenses

The Group's finance expenses decreased by 28% from RMB16.24 million in last financial year to RMB11.74 million in the current financial year. The decrease was mainly attributable to the decrease in bank interest rate and bank loans during the current financial year.

Net profit

Despite a reduction in gross profit, the Group's net profit increased from RMB13.04 million in the last financial year to RMB15.18 million in the current financial year due to decrease in operating expenses.

Balance sheet

Cash and bank balances

The cash and bank balances increased from RMB17.37 million as at 30 April 2015 to RMB74.19 million as at 30 April 2016. It was mainly due to the better collection of trade receivables.

Trade receivables

Trade receivables decreased from RMB483.25 million as at 30 April 2015 to RMB352.13 million as at 30 April 2016 as a result of better collection of long overdue receivables during the current financial year.

Other receivables

Other receivables increased from RMB76.72 million as at 30 April 2015 to RMB170.06 million as at 30 April 2016. It was mainly due to the increase of advances to the suppliers for projects towards end of the current financial year.

Contract work-in-progress

Contract work-in-progress increased from RMB237.44 million as at 30 April 2015 to RMB314.31 million as at 30 April 2016. This was mainly attributed to the increase in projects for the supply and installations of cloud computed facilities for China Unicom.

Trade payables

Trade payables increased from RMB97.22 million as at 30 April 2015 to RMB152.57 million as at 30 April 2016. It was mainly due to the increase in contract work-in-progress.

Cash flow

Net cash generated from operating activities

Net cash inflow from operating activities were RMB34.52 million for the year ended 30 April 2016 as compared with a net cash inflow of RMB79.69 million in the last corresponding year. This was mainly due to the increase of advances to the suppliers during the current financial year.

Net cash used in investing activities

Net cash outflow from investing activities were RMB1.98 million for the year ended 30 April 2016 as compared with a net cash inflow of RMB3.01 million in the last corresponding year. This was mainly due to the additions of intangible assets during the current financial year.

Net cash used in financing activities

Net cash outflow from financing activities for the year ended 30 April 2016 amounted to RMB5.91 million as compared with a net cash outflow of RMB 142.82 million in the last corresponding year. This was mainly due to higher repayment of bank borrowings during the last financial 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 2016, the growth of China's economy has significantly slowed down. Despite the launching of the 4G business by the telco operators, there is a slowdown in overall investments due to the impact of macroeconomic environment and market conditions. This has also led to the increase in market competition.

With the transformation of 4G network operating environment and the changes in the macroeconomic trends in China, the Group will further align its business structure and foster new business growth in telecommunications software, hardware and service, mobile Internet and "Internet +", including investment in technology upgrading.

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) Total Annual Dividend

Not applicable.

(d) Date payable

Not applicable.

(e) 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.

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

- 14. 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 RMB58,033,000 (2015: RMB133,176,000) is derived from 3 (2015: 3) external customers located in the PRC. Assets of the Group are mainly located in the PRC.

Business Segments

	ICT System Integration RMB'000	Business Support Solutions RMB'000	Maintenance & Servicing RMB'000	Total RMB'000
<u>2016</u>				
Revenue	127,197	91,946	18,498	237,641
Cost of sales	(119,932)	(53,393)	(15,605)	(188,930)
Segment result	<u>7,265</u>	<u>38,553</u>	<u>2,893</u>	<u>48,711</u>
Unallocated other income				4,088
Unallocated costs				(23,390)
Finance income				66
Finance expenses				(11,735)
Profit before income tax				17,740
Income tax expense				(2,557)
Net profit after income tax				<u>15,183</u>
Assets and Liabilities				
Unallocated assets and total assets				<u>919,590</u>
Unallocated liabilities and total liabilities				<u>487,240</u>

	ICT System Integration	Business Support Solutions	Maintenance & Servicing	Total
	RMB'000	RMB'000	RMB'000	RMB'000
2015				
Revenue	150,766	72,401	12,128	235,295
Cost of sales	(121,895)	(44,928)	(8,365)	(175,188)
Segment result	28,871	27,473	3,763	60,107
Unallocated other income				1,322
Unallocated costs				(30,111)
Finance income				89
Finance expenses				(16,240)
Profit before income tax				15,167
Income tax expense				(2,126)
Net profit after income tax				13,041
Assets and Liabilities				
Unallocated assets and total assets				825,338
Unallocated liabilities and total liabilities				408,171

15. 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.

16. Breakdown of sales as follows:

	THE GROUP		
	FY2016 RMB'000	FY2015 RMB'000	% change
(a) Sales reported for first half year	125,051	121,377	3.03
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	16,006	15,641	2.33
(a) Sales reported for second half year	112,590	113,918	(1.17)
(b) Operating profit / (loss) after tax before deducting non-controlling interests reported for second half year	(823)	(2,600)	68.35

17. 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.

18. 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.

19. 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.

BY ORDER OF THE BOARD

Deng Zelin
Executive Chairman
24 June 2016