

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

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED REGARDING THE HALF YEARLY RESULTS ENDED 31 OCTOBER 2016

The Board of Directors (the "Board") of Ace Achieve Infocom Limited (the "Company", together with its subsidiaries, the "Group") refers to the queries raised by the Singapore Exchange Securities Trading Limited (the "Exchange" or "SGX") on 23 December 2016 and respond as follows:

SGX Query 1:

The Company included an allowance for impairment of trade receivables of RMB 1,572,000 for the period from May 2016 to October 2016.

- a. Please provide an explanation for the allowance for impairment of the trade receivables.
- b. Please disclose if the Board is satisfied of the reasonableness of the methodologies used to determine the value of the impairment allowance.

Company's response:

- a. The Company made allowance for impairment of RMB 1,572,000 for outstanding amounts due from two customers who are in financial difficulties.
- b. The Board has discussed with management on the recoverability of the trade receivables, particularly on customers who are in financial difficulties and significant outstanding amounts which are due more than two years. Based on discussion, the Board is satisfied with the adequacy of the allowance for impairment of the trade receivables at period end.

SGX Query 2:

Trade receivables fell from RMB352,129,000 for the period ended April 2016 to RMB347,859,000 for the period ended October 2016.

- a. Please disclose the Board's assessment of the recoverability of the Trade Receivables and the bases for the Board's assessment.

Company's response:

- a. The Board has discussed with management on the recoverability of the trade receivables, particularly on the significant outstanding amounts which are due more than two years. Management has been following up with the customers to recover the outstanding debts and some of these customers will make payment based on payment schedules. Management is confident that these debts will be recovered. Based on discussion, the Board is satisfied with the adequacy of the allowance for impairment of the trade receivables at period end.

SGX Query 3:

We note that the Company's gross profit margin fell from 28.55% for the period ended 31 October 2015 to 16.14% for the period ended 31 October 2016.

- a. Please provide an explanation for the decrease in the Company's gross profit margin.

Company's response:

- a. The decrease in gross profit margin is mainly due to ICT System Integration segment as a result of increased competition. ICT System Integration contributed to the largest percentage of the Group's revenue.

SGX Query 4:

Other payables and accruals increased from RMB48.93 million as at 30 April 2016 to RMB68.27 million as at 31 October 2016, mainly due to loans from third parties.

- a. Please disclose details of the loans including the identities of the lenders, amounts of the loans and if there is any relationship between each of the lenders and the directors and/or the substantial shareholders and their associates.

Company's response:

- a. The loans amounting to RMB 19 million from Beijing Zhonghe Xinda Technology Corporate Limited is interest free, unsecured and repayable on demand. There is no relationship between the directors and/or the substantial shareholders and their associates.

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

BY ORDER OF THE BOARD

Deng Zelin
Executive Chairman and Chief Executive Officer

29 December 2016