

ACE ACHIEVE INFOCOM LIMITED

(Incorporated in Bermuda)

Financial Statements and Dividend Announcement for the 12 months ended April 30, 2014

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, 2014

Statement of comprehensive income

	Group		Change %
	Unaudited	Audited	
	May 13 to Apr 14 RMB'000	May 12 to Apr 13 RMB'000	
Revenue	237,822	213,696	11.29
Cost of sales	(162,453)	(131,033)	23.98
Gross profit	75,369	82,663	-8.82
Other operating income	3,342	332	906.63
Other operating expenses	(3,896)	(9,339)	-58.28
Selling and distribution expenses	(11,674)	(14,015)	-16.70
Administrative expenses	(18,455)	(19,935)	-7.42
Finance expenses	(20,509)	(18,074)	13.47
Profit before income tax	24,177	21,632	11.76
Income tax .			
Current taxation	(9)	(18)	-50.00
Deferred taxation	(3,238)	(3,332)	-2.82
Net profit for the financial year	20,930	18,282	14.48
Total comprehensive income for the financial year	20,930	18,282	14.48
Attributable to:			
Equity holders of the Company	20,930	18,282	14.48

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

	Unaudited	Audited
	May 13 to Apr 14	May 12 to Apr 13
	RMB'000	RMB'000
Depreciation of plant and equipment	399	396
Amortisation of intangible assets	3,580	5,418
Allowance for impairment of trade receivables	3,896	8,456
Write off of other receivables	-	5
Interest expenses	16,980	16,602
Provision for warranty	1,189	1,064
Interest income	(79)	(124)
Government incentives received	(3,123)	(153)
Write off of deposits	-	780
Foreign exchange loss	-	98

- (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-14	30-Apr-13	30-Apr-14	30-Apr-13
	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Audited	Unaudited	Audited
ASSETS				
Current Assets				
Inventories	-	-	-	363
Amount recoverable on contract				
work-in-progress	-	-	190,304	52,267
Trade receivables	-	-	509,705	538,981
Other receivables, deposits and				
prepayments	7	7	70,666	57,205
Due from subsidiary (non-trade)	169,889	150,758	-	-
Due from related parties (non-trade)	-	83	5,982	6,716
Cash and bank balances	131	93	67,505	32,805
Total current assets	170,027	150,941	844,162	688,337
Non-Current Assets				
Plant and equipment	-	-	1,651	1,074
Investment in a subsidiary company	15,646	15,646	-	-
Intangible assets . development				
expenditure	-	-	9,493	9,121
Total non-current assets	15,646	15,646	11,144	10,195
Total assets	185,673	166,587	855,306	698,532

	The Company		The Group	
	30-Apr-14	30-Apr-13	30-Apr-14	30-Apr-13
	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Audited	Unaudited	Audited
LIABILITIES AND EQUITY				
Current Liabilities				
Trade payables	-	-	69,193	59,149
Other payables and accruals	2,701	1,700	21,959	20,100
Due to directors (non-trade)	117	467	329	588
Provision for project warranty	-	-	4,346	3,157
Bank borrowings	-	-	298,044	219,762
Total current liabilities	2,818	2,167	393,871	302,756
Non-Current Liabilities				
Bank borrowings	-	-	21,000	-
Deferred taxes	-	-	34,805	31,567
Total non-current liabilities	-	-	55,805	31,567
Total liabilities	2,818	2,167	449,676	334,323
Equity attributable to equity holder of the Company				
Share capital	92,938	71,438	92,938	71,438
Share premium	85,226	86,235	85,226	86,235
Statutory reserves	-	-	27,616	24,507
Capital reserve	-	-	3,332	3,332
Retained earnings	4,691	6,747	196,518	178,697
Total equity	182,855	164,420	405,630	364,209
Total liabilities and equity	185,673	166,587	855,306	698,532

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, 2014 Unaudited		Group April 30, 2013 Audited	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
298,044	-	213,417	6,345

Amount repayable after 1 year

Group April 30, 2014 Unaudited		Group April 30, 2013 Audited	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
21,000	-	-	-

Details of any collateral

As at April 30, 2013 and April 30, 2014, the Group's borrowings comprised of mainly bank loans and utilised trade factoring facilities. Bank borrowings are secured by third parties finance company and/or personal guarantees and properties of the directors.

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 13 to Apr 14 RMB'000	Audited May 12 to Apr 13 RMB'000
Cash Flow from Operating Activities		
Profit before income tax	24,177	21,632
Adjustments for :		
Amortisation of intangible assets	3,580	5,418
Depreciation of plant and equipment	399	396
Finance expense	20,509	18,074
Interest income	(79)	(124)
Operating profit before working capital changes	48,586	45,396
Inventories	363	557
Amount recoverable on contract work-in-progress	(138,037)	(19,993)
Trade receivables	29,276	(109,374)
Other receivables	(13,461)	15,942
Trade payables	10,044	18,585
Other payables, accruals and provisions	1,483	3,128
Cash used in operations	(61,746)	(45,759)
Income tax paid	(9)	(18)
Interest paid	(20,509)	(18,074)
Net cash used in operating activities	(82,264)	(63,851)
Cash Flows from Investing Activities		
Additions of plant and equipment	(976)	(196)
Additions of intangible assets	(3,952)	(2,681)
Interest received	79	124
Repayments from related parties	734	3,763
Net cash (used in) / generated from investing activities	(4,115)	1,010

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Unaudited	Audited
	May 13 to Apr 14	May 12 to Apr 13
	RMB'000	RMB'000
Cash flows from financing activities		
Proceeds from bank borrowings	391,760	277,995
Repayment of bank borrowings	(292,478)	(167,822)
loan from third parties	4,074	1,552
Repayments to third parties, net	(2,510)	(26,244)
Repayment to directors	(259)	(1,993)
Dividends payment	-	(1,956)
Net proceeds from share issue	20,491	-
Movements in restricted cash balance	2,081	(3,008)
Net cash generated from financing activities	123,159	78,524
Net increase in cash and cash equivalents	36,780	15,683
Cash and cash equivalents at the beginning of the financial year	25,555	9,872
Cash and cash equivalents at the end of the year	62,336	25,555
Total cash and bank balances	67,505	32,805
Restricted cash balances	(5,169)	(7,250)
Cash and cash equivalents for purpose of consolidated statement of cash flows	62,336	25,555

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					Total
	Share capital	Share premium	Statutory reserves	Capital reserve	Retained earnings	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Group						
Balance at 01.05.2012	71,438	86,235	21,678	3,332	165,200	347,883
Total comprehensive income for the financial year	-	-	-	-	18,282	18,282
Payment of dividends	-	-	-	-	(1,956)	(1,956)
Transfer to statutory reserves	-	-	2,829	-	(2,829)	-
Balance at 30.04.2013	71,438	86,235	24,507	3,332	178,697	364,209
Balance at 01.05.2013	71,438	86,235	24,507	3,332	178,697	364,209
Total comprehensive income for the financial year	-	-	-	-	20,930	20,930
Issue of ordinary shares	21,500	-	-	-	-	21,500
Share issue expenses	-	(1,009)	-	-	-	(1,009)
Transfer to statutory reserves	-	-	3,109	-	(3,109)	-
Balance at 30.04.2014	92,938	85,226	27,616	3,332	196,518	405,630
	Share capital	Share premium	Retained earnings	Total		
	RMB'000	RMB'000	RMB'000	RMB'000		
Company						
Balance at 01.05.2012	71,438	86,235	7,434	165,107		
Total comprehensive income for the financial year	-	-	1,269	1,269		
Payment of dividends	-	-	(1,956)	(1,956)		
Balance at 30.04.2013	71,438	86,235	6,747	164,420		
Balance at 01.05.2013	71,438	86,235	6,747	164,420		
Total comprehensive income for the financial year	-	-	(2,056)	(2,056)		
Issue of ordinary shares	21,500	-	-	21,500		
Share issue expenses	-	(1,009)	-	(1,009)		
Balance at 30.04.2014	92,938	85,226	4,691	182,855		

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, 2013	652,000,000
As at April 30, 2014	752,000,000

During the financial year, the company issued 100,000,000 ordinary shares through placement of shares.

There were no outstanding convertibles or treasury shares as at 30 April 2013 and 30 April 2014.

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 2014	As at 30 April 2013
Total number of issued shares	752,000,000	652,000,000
Less: Treasury shares	-	-
Number of issued shares excluding treasury shares	752,000,000	652,000,000

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 2013, 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 2013.

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 2013, 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 13 to Apr 14	Audited (12 months) May 12 to Apr 13
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)	0.030	0.028
Weighted average number of ordinary shares on issue for basic earnings per share	703,780,822	652,000,000

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, 2014	Audited Apr 30, 2013	Unaudited Apr 30, 2014	Audited Apr 30, 2013
Net asset value per ordinary share based on the issued capital at the end of the year (RMB)	0.24	0.25	0.54	0.56
Number of shares used in calculating net asset value	752,000,000	652,000,000	752,000,000	652,000,000

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

Turnover, costs and earnings (based on Actual Group basis)

Revenue

The Group's revenue increased by approximately 11% from RMB213.7 million in FY2013 to RMB237.8 million in FY2014. The increase in revenue is mainly attributed to the higher revenue from all business segments, in particular Broadband data solutions segment.

Division	May 13 to Apr 14		May 12 to Apr 13	
	Revenue RMB'000	Sales mix ratio (%)	Revenue RMB'000	Sales mix ratio (%)
Telecom application solutions	26,245	11.04	21,290	9.96
Wireless coverage solutions	54,685	22.99	51,058	23.89
Operation and business support solutions	63,583	26.74	59,863	28.01
Broadband data solutions	66,048	27.77	54,803	25.65
Proprietary information security platform	27,261	11.46	26,682	12.49
Total	237,822	100.00	213,696	100.00

Gross profit and Gross profit margin

The Group's gross profit decreased from RMB82.66 million in FY2013 to RMB75.37 million in FY2014. It was mainly due to keen competitions in the Broadband data solutions segment and hence lower gross margin was recorded in FY2014.

Other operating income

The Group's other operating income increased from RMB0.33 million for current financial year as compared with RMB3.34 million recorded in the last financial year. This is mainly due to the government incentive of RMB3.12 million received in the current financial year.

Other operating expenses

Other operating expenses decreased from RMB9.34 million in last financial year to RMB3.90 million in the current financial year. This was mainly due to lower allowance for impairment of trade receivables.

Selling and distribution expenses

The Group's selling and distribution expenses decreased by 16.7% from RMB14.02 million in last financial year to RMB11.67 million in current financial year. It was mainly due to lower headcount space in FY2014 as compared to prior year.

Administrative expenses

The Group's administrative expenses decreased by 7.42% from RMB19.94 million in last financial year to RMB18.46 million in the current financial year. It was mainly due to lower amortisation of intangible assets.

Finance expenses, net

The Group's net financial expenses increased 13.47% from RMB18.07 million in last financial year to RMB20.51 million in the current financial year. The increase was mainly attributable to increase in finance charges in relation to guarantees and bank borrowings during the financial year.

Balance sheet

Cash and bank balances

The cash and bank balances increased from RMB32.81 million as at 30 April 2013 to RMB67.51 million as at 30 April 2014. It was mainly due to additional bank borrowings and proceeds from share placement in the current financial year.

Trade receivables

Trade receivables decreased from RMB538.98 million as at 30 April 2013 to RMB509.71 million as at 30 April 2014 as a result of better collection of receivables during the financial year.

Other receivables, deposits and prepayments

Other receivables, deposits and prepayments increased from RMB57.21 million as at 30 April 2013 to RMB70.67 million as at 30 April 2014. It was mainly due to increase of staff advance and deposits during the financial year.

Due from related parties (non-trade)

Amount due from related parties (non-trade) decreased from RMB6.71 million as at 30 April 2013 to RMB5.98 million as at 30 April 2014. It was mainly due to repayment from these parties.

Inventories

Inventories decreased from RMB0.36 million as at 30 April 2013 to nil balance as at 30 April 2014.

Amount recoverable on contract work-in-progress

Work-in-progress increased from RMB57.21 million as at 30 April 2013 to RMB190.30 million as at 30 April 2014. This was mainly attributed to increase in a few major projects in supply and installations of cloud computed facilities for China Unicom.

Trade payable

Trade payable increased from RMB59.15 million as at 30 April 2013 to RMB69.19 million as at 30 April 2014. It was mainly due to slower payment to the suppliers.

Other payables and accruals

Other payables and accruals increased from RMB20.21 million as at 30 April 2013 to RMB21.96 million as at 30 April 2014. It was mainly due to the lower payment to these parties during the current financial year.

Provision for project warranty

Provision for project warranty increased from RMB3.16 million as at 30 April 2013 to RMB4.35 million as at 30 April 2014. It was mainly due to additional provisions for revenue recognized during the current financial year.

Cash flow

Net cash used in operating activities

Cash outflow used in operating activities were RMB82.26 million for the year ended 30 April 2014 as compared with a net cash outflow of RMB63.86 million in the last corresponding year. The net cash outflow was mainly due to higher contract work in progress during the financial year.

Net cash generated from investing activities

Cash outflow used in investing activities were RMB4.12 million for the year ended 30 April 2014 as compared with a net cash inflow of RMB1.01 million in the last corresponding year. This was mainly due to lower repayments to related parties, partially offset by additions in intangible assets.

Net cash generated from financing activities

Net cash inflow from financing activities for the year ended 30 April 2014 amounted to RMB123.16 million as compared with a net cash inflow of RMB

78.56 million in the last corresponding year was mainly due to proceeds from share placement and additional bank borrowings during the 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.

While overall industry outlook remains positive, competition is expected to be keen and may continue to impact our performance. The Group will continue to focus on account receivables management for the new financial year. New revenue channels initiated in the past and current years are expected to improve overall receivables turnover.

Barring any unforeseen circumstances, the group expects to remain profitable for Financial Year 2015.

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?

None

(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.

14. Use of proceeds from share placement

Description	Intended (RMB'000)	Amount Utilised To-date (RMB'000)	Percentage of Proceeds (%)
The market development, and research and development activities	9,500	9,623	44.76
The investment in software for research and development purposes	8,000	8,214	38.21
General working capital	2,500	2,654	12.34
Share issue expenses	1,500	1,009	4.69
Total	21,500	21,500	100.00

The general working capital is used for purchase of hardware and accessories for projects secured in FY2014.

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 RMB165,751,623 (2013: RMB128,470,000) is derived from 3 (2013: 5) external customers located in the PRC. Assets of the Group are mainly located in the PRC.

Business Segments

	Telecom application <u>solutions</u> RMB¥00	Wireless coverage <u>solutions</u> RMB¥00	Operation and business support <u>solutions</u> RMB¥00	Broadband data <u>solutions</u> RMB¥00	Proprietary information security <u>platform</u> RMB¥00	<u>Total</u> RMB¥00
2014						
Revenue	26,245	54,685	63,583	66,048	27,261	237,822
Cost of sales	(16,179)	(28,579)	(44,786)	(60,329)	(12,580)	(162,453)
Segment result	10,066	26,106	18,797	5,719	14,681	75,369
Unallocated other income						3,263
Unallocated costs						(34,025)
Finance income						79
Finance expenses						(20,509)
Profit before income tax						24,177
Income tax expense						(3,247)
Net profit after income tax						20,930
Assets and Liabilities						
Unallocated assets and total assets						855,306
Unallocated liabilities and total liabilities						449,676

	Telecom application <u>solutions</u> RMB¥00	Wireless coverage <u>solutions</u> RMB¥00	Operation and business support <u>solutions</u> RMB¥00	Broadband data <u>solutions</u> RMB¥00	Proprietary information security <u>platform</u> RMB¥00	<u>Total</u> RMB¥00
2013						
Revenue	21,290	51,058	59,863	54,803	26,682	213,696
Cost of sales	(16,308)	(23,222)	(47,002)	(28,835)	(15,666)	(131,033)
Segment result	4,982	27,836	12,861	25,968	11,016	82,663
Unallocated other income						208
Unallocated costs						(43,289)
Finance income						124
Finance expenses						(18,074)
Profit before income tax						21,632
Income tax expense						(3,350)
Net profit after income tax						18,282
Assets and Liabilities						
Unallocated assets and total assets						698,532
Unallocated liabilities and total liabilities						334,323

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		
	FY2014 RMB'000	FY2013 RMB'000	% change
(a) Sales reported for first half year	104,842	99,140	5.75
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	15,480	15,020	3.06
(a) Sales reported for second half year	132,980	114,556	16.08
(b) Operating profit after tax before deducting non-controlling interests reported for second half year	5,450	3,262	67.08

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

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.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Sun Yujing	45	Sister of Ms Sun Yuzhen, Non-Executive Director	Executive Director of the Company since 17 June 2004	No change
Sun Yuzhen	42	Sister of Ms Sun Yujing, Executive Director	Non-Executive Director of the Company since 17 September 2004	No change

BY ORDER OF THE BOARD

Deng Zelin
 Executive Chairman
 30 June 2014