

# ACE ACHIEVE INFOCOM LIMITED

(Incorporated in Bermuda)

## Financial Statements and Dividend Announcement for the 12 months ended April 30, 2020

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### 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, 2020 Statement of comprehensive income

	Group		Change %
	Unaudited May 19 to Apr 20 RMB'000	Unaudited May 18 to Apr 19 RMB'000	
Revenue	9,602	4,867	97
Cost of sales	(7,541)	(4,638)	63
<b>Gross profit</b>	<b>2,061</b>	<b>229</b>	797
Other operating income			(100)
Selling and distribution expenses	(125)	(85)	47
Administrative expenses	(6,884)	(6,822)	1
Other operating expenses	(5,819)	(5,758)	(1)
Finance expenses	(8,651)	(10,813)	(20)
<b>(Loss)/Profit before income tax</b>	<b>(19,418)</b>	<b>(23,249)</b>	16
Income tax expense		-	(100)
<b>(Loss)/Net profit for the financial year</b>	<b>(19,418)</b>	<b>(23,249)</b>	16
<b>Total comprehensive (loss)/income for the financial year</b>	<b>(19,418)</b>	<b>(23,249)</b>	16
<b>Attributable to:</b>			
<b>Equity holders of the Company</b>	<b>(19,418)</b>	<b>(23,249)</b>	16

**Note:**

N.M denotes not meaningful.

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

	Unaudited	Unaudited
	May 19 to Apr 20	May 18 to Apr 19
	RMB'000	RMB'000
Depreciation of plant and equipment	186	186
Amortisation of intangible assets	2,978	2,978
Allowance for impairment of trade receivables	5,819	5,758
Write back of impairment of trade receivables		-
Interest expenses	8,651	10,813
Provision for warranty		
Interest income		
Write-back of VAT payables		
Government incentives received		-

- (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-20	30-Apr-19	30-Apr-20	30-Apr-19
	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Unaudited	Unaudited	Unaudited
<b>ASSETS</b>				
<b>Current Assets</b>				
Contract work-in-progress	-	-	346,227	353,768
Trade receivables	-	-	386,336	383,593
Other receivables	172	172	91,137	91,137
Due from subsidiaries (non-trade)	158,941	158,941	-	-
Cash and bank balances	4	4	631	644
Total current assets	159,117	159,117	824,331	829,142
<b>Non-Current Assets</b>				
Plant and equipment	-	-	27	213
Investment in subsidiaries	15,646	15,646	-	-
Intangible assets	-	-	5,035	8,013
Total non-current assets	15,646	15,646	5,062	8,226
<b>Total assets</b>	<b>174,763</b>	<b>174,763</b>	<b>829,393</b>	<b>837,368</b>

	The Company		The Group	
	30-Apr-20	30-Apr-19	30-Apr-20	30-Apr-1
	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Unaudited	Unaudited	Unaudited
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Trade payables		-	103,730	103,730
Other payables and accruals	5,882	4,256	101,067	98,275
Due to directors (non-trade)		-	1,182	1,182
Due to related parties	-	-		
Provision for warranty	-	-	23,763	15,112
Borrowings	-	-	138,280	138,280
Current tax liabilities	-	-	19,147	19,147
<b>Total current liabilities</b>	<b>5,882</b>	<b>4,256</b>	<b>387,169</b>	<b>375,726</b>
<b>Non-Current Liabilities</b>				
Borrowings	-	-	5,900	5,900
Deferred tax liabilities	-	-	24,246	24,246
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>30,146</b>	<b>30,146</b>
<b>Total liabilities</b>	<b>5,882</b>	<b>4,256</b>	<b>417,315</b>	<b>405,872</b>
<b>Capital and Reserves attributable to equity holder of the Company</b>				
Share capital	92,938	92,938	92,938	92,938
Share premium	85,226	85,226	85,226	85,226
Statutory reserves	-	-	35,277	35,277
Capital reserve	-	-	3,332	3,332
(Accumulated losses) / Retained earnings	(7,657)	(6,032)	195,306	214,724
<b>Total equity</b>	<b>170,506</b>	<b>172,132</b>	<b>412,079</b>	<b>431,496</b>
<b>Total liabilities and equity</b>	<b>174,763</b>	<b>174,763</b>	<b>829,393</b>	<b>837,368</b>

**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, 2020 Unaudited		Group April 30, 2019 Unaudited	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
139,280		139,280	-

**Amount repayable after 1 year**

Group April 30, 2020 Unaudited		Group April 30, 2019 Unaudited	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
4,900	-	4,900	-

	Group	
	April 30, 2020 RMB'000	April 30, 2019 RMB'000
<b>Borrowings comprised</b>		
- Bank loans	60,065	60,065
- Letter of credit	84,115	84,115
	<u>144,180</u>	<u>144,180</u>

**Details of any collateral**

As at April 30, 2020 and April 30, 2019, the Group's borrowings comprised mainly bank loans 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 and certain restricted bank balances.

**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.**

	<b>Unaudited May 19 to Apr 20 RMB'000</b>	<b>Unaudited May 18 to Apr 19 RMB'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before income tax	(19,418)	(23,249)
Adjustments for :		
Amortisation of intangible assets	2,978	2,978
Allowance for impairment of trade receivables	5,819	5,758
Provision for warranty		
Depreciation of plant and equipment	186	186
Interest expense	8,651	10,813
Interest income	-	-
Operating cash flow before working capital changes	(1,784)	(3,514)
Contract work-in-progress	7,541	4,637
Trade receivables	(8,562)	(5,500)
Other receivables		
Trade payables	-	-
Other payables, accruals and provision	2,792	(31,280)
<b>Cash from operations</b>	(13)	(35,360)
Interest paid		
<b>Net cash generated from/(used in) operating activities</b>	(13)	(35,360)

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**

	<b>Unaudited May 19 to Apr 20 RMB'000</b>	<b>Unaudited May 18 to Apr 19 RMB'000</b>
<b>Cash Flows from Investing Activities</b>		
Additions of plant and equipment	-	-
Additions of intangible assets	-	-
Interest received	-	-
<b>Net cash used in investing activities</b>	-	-
<b>Cash flows from Financing Activities</b>		
Proceeds from bank borrowings	-	-
Repayment of bank borrowings	-	-
Repayment to related parties	-	-
Loans from third parties and financial institutions	-	-
_Repayment to third parties and financial institutions	-	-
Advances from directors	-	-
Movements in restricted bank balances	-	-
<b>Net cash used in financing activities</b>		
<b>Net (decrease) / increase in cash and cash equivalents</b>	(13)	(35,360)
<b>Cash and cash equivalents at the beginning of the financial year</b>	644	36,004
<b>Cash and cash equivalents at the end of the financial year</b>	631	644
<b>Cash and bank balances</b>	631	644
<b>Less: Restricted bank balances</b>	-	-
<b>Cash and cash equivalents for the purpose of presentation in the consolidated statement of cash flows</b>	631	644

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'00	RMB'000	RMB'000
<b>Group</b>						
<b>Balance at 01.05.2018</b>	92,938	85,226	35,277	3,332	237,972	454,745
Total comprehensive income for the financial year	-	-	-	-	(23,249)	(23,249)
Transfer to statutory reserves	-	-	-	-	-	-
<b>Balance at 30.04.2019</b>	92,938	85,226	35,277	3,332	214,724	431,496
<b>Balance at 01.05.2019</b>	92,938	85,226	35,277	3,332	214,724	431,496
Total comprehensive loss for the financial year	-	-	-	-	(19,418 )	(19,418 )
Transfer to statutory reserves	-	-	-	-	-	-
<b>Balance at 30.04.2020</b>	92,938	85,226	35,277	3,332	195,306	412,079
	Share capital	Share premium	Accumulated losses	Total		
	RMB'000	RMB'000	RMB'000	RMB'00		
<b>Company</b>						
<b>Balance at 01.05.2018</b>	92,938	85,226	(6,032)	172,132		
Total comprehensive loss for the financial year	-	-	(1,626)	(1,626)		
<b>Balance at 30.04.2019</b>	92,938	85,226	(7,657)	170,506		
<b>Balance at 01.05.2019</b>	92,938	85,226	(7,657)	170,506		
Total comprehensive loss for the financial year	-	-	(1,626 )	(1,626 )		
<b>Balance at 30.04.2020</b>	92,938	85,226	(9,283)	168,880		



**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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and number of subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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, 2019	752,000,000
As at April 30, 2020	752,000,000

There were no outstanding convertibles, treasury shares and subsidiary holdings as at 30 April 2020 and 30 April 2019.

**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 2020	As at 30 April 2019
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, 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.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial year reported on.

**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 ended 30 April 2020 compared to the audited financial statements for the previous financial year ended 30 April 2019, except for the adoption of the new and revised Financial Reporting Standards ("FRS"), that are relevant to the Group and the Company and effective for annual periods beginning on or after 1 May 2019.

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, that are relevant to the Group and the Company and effective from 1 May 2019, as mentioned in Paragraph 4 above, has no material impact on the financial statements of the Group and the Company for the current 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:-**

(Loss)/Earnings per ordinary share for the year based on net profit attributable to shareholders	Unaudited (12 months) May 19 to Apr 20	Unaudited (12 months) May 18 to Apr 19
Based on weighted average number of ordinary shares on issue (RMB)	(2.58)	(3.09)
On a fully diluted basis	(2.58)	(3.09)

Note:

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, 2020	Unaudited Apr 30, 2019	Unaudited Apr 30, 2020	Unaudited Apr 30, 2019
Net asset value per ordinary share based on the issued capital at the end of the year (RMB)	0.23	0.23	0.57	0.59
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.**

In the current financial year, although the company's Revenue Scale has shown an upward trend, but due to the external economic environment and the adverse impact of the market environment has not been completely eliminated, the business scale has not yet returned to a reasonable level, compared with the previous financial year, the relevant financial indicators still can not accurately reflect the company's basic operating state and future development trend, although the changes are within a reasonable range.

The outbreak of a new type of coronoid epidemic, which began in 2020, has caused major setbacks and challenges to global economic development, although the Chinese government has done a great deal of active work in the prevention and control of the epidemic and in restoring economic development, but getting the economy back on track will be a complex and difficult process. Fortunately, China has a strong internal market demand, and the new infrastructure investment plan is widely supported from the central to the local level. It is expected that no less than 25 trillion yuan of investment will be invested within five years or so, support the communications industry and several other areas that are highly relevant to the company's business. Now, we have seen various local governments in China are active in planning and formulating implementation plans, no doubt, this will greatly expand market opportunities, conducive to the resolution of the company's current problems.

We believe that in the near future, the company's financial indicators will be able to better reflect this change.

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.**

However, in the past financial year, the company's business has shown a positive trend, of course, this is not only refers to revenue growth, but also the size of the income gap between the past. The reason for this judgment is more based on the company's internal and external operating environment and its own analysis and judgment.

The world economy has been hit hard by a new type of coronary disease, and China is no exception. But opportunities are emerging in the midst of such a crisis, with the Chinese government's 25 trillion yuan investment in new infrastructure being phased in, a massive investment that will be focused on information infrastructure, it includes communication network infrastructure represented by 5G, Internet of things, industrial Internet and satellite Internet, integration infrastructure, mainly deep application of Internet, big data, artificial intelligence and innovation infrastructure. These areas are the company's main business direction and the company has been committed to the direction of development, the new infrastructure will provide the company with a strong scale market demand;

In the past few years, the company due to the impact of financial regulation and control policies, capital turnover is not good, leading to the company operating difficulties. In the context of stimulating economic recovery, China, like the rest of the world, will further increase its money supply and increase liquidity to promote the recovery and sustainable development of the real economy, the company will have the opportunity to effectively alleviate the financial pressure, to support the company's business as soon as possible to resume and further development.

After several years of reflection and precipitation, the company has basically completed the upgrade iteration of traditional products, at the same time in big data, artificial intelligence, smart city related products and services also have the corresponding competitiveness. This will be conducive to the company's business development.

The company will also adopt a more effective business model to form an operations management team to support business recovery and development.

## 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) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable

**12. If no dividend has been declared (recommended), a statement to that effect.**

No dividend is recommended for the financial year 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. 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.

**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.**

**Business Segments**

	ICT System Integration	Business Support Solutions	Maintenance & Servicing	Total
	RMB'000	RMB'000	RMB'000	RMB'000
<b><u>2020</u></b>				
Revenue	9,602			4,867
Cost of sales	(7,541)			(4,638)
<b>Segment result</b>	<b>2,061</b>			<b>229</b>
Gross profit margin	21.46%			
Unallocated other income				
Unallocated costs				
Finance income				
Finance expenses	(8,651)			(10,813)
Profit before income tax	(19,794)			(19,794)
Income tax expense				
Net profit after income tax	(19,794)			(19,794)
<b>Assets and Liabilities</b>				
Unallocated assets and total assets	832,807			832,807
Unallocated liabilities and total liabilities	441,396			441,396

	ICT System Integration	Business Support Solutions	Maintenance & Servicing	Total
	RMB'000	RMB'000	RMB'000	RMB'000
<b><u>2019</u></b>				
Revenue	4,867			4,867
Cost of sales	(4,638)			(4,638)
<b>Segment result</b>	<b>229</b>			<b>229</b>
Gross profit margin	4.7%			
Unallocated other income				
Unallocated costs				
Finance income				
Finance expenses	(10,813)			(10,813)
Profit before income tax	(23,249)			(23,249)
Income tax expense				
Net profit after income tax	(23,249)			(23,249)
<b>Assets and Liabilities</b>				
Unallocated assets and total assets	837,368			837,368
Unallocated liabilities and total liabilities	405,860			405,860

- 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		
	FY2020 RMB'000	FY2019 RMB'000	% change
(a) Sales reported for first half year		0	(100)
(b) Operating profit after tax before deducting minority interests reported for first half year		0	(100)
(a) Sales reported for second half year	9,602	4,867	97
(b) Operating profit / (loss) after tax before deducting minority interests reported for second half year	2,061	229	800

**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. There was no dividend declared or paid for FY2020 and FY2019.

**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.**

Not applicable.

Deng Zelin  
Executive Chairman  
17 September 2020