Annual Report 2014

Ace Achieve Infocom Limited

CONTENTS

Contents 01
Corporate Profile 02
Corporate Data 03
Chairman's Statement 04
Directors' Profile 06
Operation And Financial Review 07
Statement of Corporate Governance 09
Financial Contents 24
Statistics of Shareholdings 82
Notice Of Annual General Meeting 84

CORPORATE PROFILE

Headquartered in Beijing, Ace Achieve is a telecom network infrastructure and ICT (Information & Communication Technologies) solution provider for major telecommunication operators in the People's Republic of China (PRC) naming China Mobile, China Telecom and China Unicom.

The Group has five business segments which are described below.

- Wireless coverage solutions: telecom network infrastructure solutions that aim to establish maximum network coverage within targeted area
- Operation and business support solutions: (i) provision of back-end business support systems such as e-billing as well as (ii) infrastructure maintenance and upgrading works such as cloud-based server upgrade
- Broadband data solutions: development of customised mobile application (mobile app) such as 3D store marketing application
- Telecom application solutions: provision of traditional value added services such as multimedia mobile news, SMS and MMS management platform, ringtone/music management platform
- Proprietary information security platform: customised IT-based productivity solutions for SMEs in China such as sales management platform

Equipped with the relevant qualification from the Ministry of Industry and Information Technology (MIIT) and proven track record, Ace Achieve is able to tender for telecommunication projects on both national and local scales in China.

CORPORATE DATA

BOARD OF DIRECTORS
Deng Zelin (Executive Chairman & Chief Executive Officer)
Yang Fan (Executive Director & Deputy Chairman)
Yeung Koon Sang @ David Yeung (Lead Independent Director)
Ong Tiew Siam (Independent Director)

AUDIT COMMITTEE
Yeung Koon Sang @ David Yeung (Chairman)
Ong Tiew Siam

NOMINATING COMMITTEE
Ong Tiew Siam (Chairman)
Yeung Koon Sang @ David Yeung
Yang Fan

REMUNERATION COMMITTEE
Ong Tiew Siam (Chairman)
Yeung Koon Sang @ David Yeung

COMPANY SECRETARIES
Shirley Lim Guat Hua
Codan Services Limited (Assistant Company Secretary)

REGISTERED OFFICE
Clarendon House
2 Church Street
Hamilton HM 11, Bermuda
Tel No.: +1(441)295 1422
Fax No.: +1(441)292 4720

PRINCIPAL PLACE OF BUSINESS
No.11 Anxiangbeili
11th Floor, Venture Plaza Tower B
Chaoyang District
Beijing 100101
The People's Republic of China

SHARE REGISTRAR
Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM 11, Bermuda

SHARE TRANSFER AGENT
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
Singapore Land Tower #32-01
Singapore 048623

AUDITORS
Moore Stephens LLP
10 Anson Road
#29-15 International Plaza
Singapore 079903
Partner-in-charge : Neo Keng Jin (Appointed on 13 April 2012)

PRINCIPAL BANKERS
China Merchants Bank, Beijing Branch
No. 27, Zhichun Road
Haidian District, Beijing
The People's Republic of China

China Everbright Bank, Subbranch of Asian Sport Village
Yuanda Building
5 Huizhong Avenue
Chaoyang District, Beijing
The People's Republic of China

Industrial and Commercial Bank of China, Singapore Branch
6 Raffles Quay #12-01
John Hancock Tower
Singapore 048580

China CITIC Bank, Zhongguancun Branch
No. 1 Zhongguancun South Street
Haidian District, Beijing
The People's Republic of China

Shanghai Pudong Development Bank, Da Wang Road Branch
1st floor Lanbaoguoji Building
No.3 West Da Wang Road
Chaoyang District, Beijing
The People's Republic of China

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS:

On behalf of the Board of Directors, I am pleased to present our full year results for the financial year ended 30 April 2014 ("FY2014"). Top-line revenue grew by 11.3% to RMB237.8 million while net profit increased by 14.5% to RMB20.9 million.

Driven by availability of low-cost mobile phones and social media applications, mobile communication has become a significant part of everyday life. While overall China's economy is growing at a slower pace, telecom industry remains favorable due to fundamental demands such as growing number of mobile subscribers. As at January 2014, China's total mobile subscribers has reached 1.24 billion[(1)]. The industry also benefited from the latest 4G development. In December 2013, China awarded 4G licenses to all three major telecom operators[(2)].To capture the demand for 4G high speed connection, telecom operators have been gearing up their investments in building new telecom network and infrastructure upgrading.

New business opportunities arise as capital expenditure for 4G network triggers demand for our services, ranging from basis network-related solutions such as wireless coverage solutions to new servers that support more efficient data processing facilities. In line with this trend, our wireless coverage solution which contributes more than 20% of our total revenue continued to grow. As telecom operators invest in larger and more complex infrastructure, there is an immediate need to manage such data processing resources. Eyeing this opportunity, we launched a new Enterprise-grade server management platform that offers operators the ability to efficiently monitor and allocate server capacity.

Enhancing operational results by promoting efficiency of our system and people is a continuous process. This year, we have taken another step ahead through engaging third-party professional business advisers. Operational framework was reviewed thoroughly and new risk management guidelines were implemented. Streamlining our sales channel and resources produced commendable results. While achieving 11.3% in revenue growth, the Group recorded 16.7% lower selling and distribution expenses as compared to the previous financial year.

CHAIRMAN'S STATEMENT

In October 2013, the Group raised approximately S$4.3 million in net proceeds through issuance of new 100,000,000 ordinary shares to various investors. Following this exercise, the total issued and paid up share capital increased to 752,000,000 shares. The net proceeds are allocated for market development, R&D and general working capital use.

Large-scale construction of 4G network in China will continue to drive capital investment in telecom industry. China Mobile, the largest telecom operator in China, announced its plans to build more than 500,000 4G base stations and targets to have 50 million 4G users by the end of this year[(3)]. China Unicom estimated that it will spend RMB80 billion to facilitate its 4G strategy[(4)]. The strong demand presents our industry with both opportunities and challenges. Going forward, we foresee increasing competition level will continue to exert margin pressure as project biddings become more aggressive.

We wish to extend our appreciation to our Board members, management and our staffs for the dedication and hard work. We would also like to take this opportunity to thank our customers and business partners who have supported us over the years. And to our shareholders, we thank you for your confidence in Ace Achieve Infocom Limited.

Deng Zelin
Executive Chairman and CEO of Ace Achieve Infocom Limited

Footnotes:
(1) "China's mobile subscribers up 0.6 percent at 1.24 billion in January", Reuters, 20 February 2014
(2) "China issues 4G network licenses to China Mobile, Unicom and Telecom", Reuters, 04 December 2013
(3) "China Mobile says to have more than 500,000 4G base stations by end of 2014 -official microblog", Reuters, 21 July 2014
(4) "China Unicom's 80b yuan spending plan to aid 4G introduction", South China Morning Post, 28 February 2014

DIRECTORS' PROFILE

MR DENG ZELIN, is our Executive Chairman and the founder of our Group. He is responsible for directing our Group's overall strategy and growth as well as the overall management of our Group. Mr Deng founded our Group in 2000 with the establishment of Beijing Wayout Telecom Technology Co., Ltd ("Wayout'). From 1994 to 2000, Mr Deng served as the General Manager at Beijing Wayout Technology Co., Ltd., where he was responsible for the overall management of the company. At the beginning of 1992, Mr Deng was a lecturer in Tianjin University; Mr Deng then joined Shenzhen Huawei Technology Co., Ltd. in late 1992 where he was a Research and Development Engineer until 1994. Mr Deng holds a Bachelor of Telecommunications degree from Changchun University of Posts and Telecommunications and a Master of Electrical Engineering degree from Tianjin University.

MS YANG FAN, is the Executive Director & Deputy Chairman. She is responsible for managing our Group's daily operations as well as our sales and marketing activities. She has more than 10 years of experience in the information technology field. Ms Yang Fan holds a Master of Business Administration from Tsinghua University.

MR ONG TIEW SIAM, our independent director, is a fellow member of the Institute of Singapore Chartered Accountants. He is also a member of Singapore Institute of Directors. He has more than 30 years of experience in the finance and accounting field. He also sits on the board of several listed companies in Singapore. Mr Ong holds a Bachelor of Commerce (Accountancy) honors degree from the former Nanyang University.

MR YEUNG KOON SANG @ DAVID YEUNG, our independent director, is a director of Kreston David Yeung PAC, which he founded in 1987. He has over 20 years of experience in public accountancy and has worked previously with Deloitte & Touche, UK and Ernst & Young, Singapore. He is currently a fellow member of the Institute of Chartered Accountants of Singapore and holds a Master of Social Science (Accounting) Degree from the University of Birmingham, England. He also sits on the board of several listed companies in Singapore and was conferred the Public Service Medal by the President of the Republic of Singapore in 2001.

OPERATION AND FINANCIAL REVIEW

The Group performed well having recorded growth in both top line and bottom line. Growth across our five business divisions resulted in higher total revenue of RMB237.8 million, an 11.3% increase as compared to previous financial year. Net profit grew 14.5% from RMB18.3 million in the previous financial year to RMB20.9 million in FY2014.

Division	May 2013 to Apr 2014		May 2012 to Apr 2013	
	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**

The Group's Wireless Coverage Solutions continued to perform well. Through our cost-effective solutions, telecom operators are able to boost their network capacity and coverage especially in high-traffic zones with sporadic blind spots. In FY2014, revenue from this segment increased 7.1% to RMB54.7 million. During the period, it also posted segmental results of RMB26.1 million, which was the biggest contributor to the Group's overall gross profit among all five business divisions.

Benefitting from growing number of mobile subscribers as well as increasing demand for mobile data, our Operation and Business Support Solutions continued to grow. Prevalence of new social media applicationsand low-cost smartphonescontinue to spur mobile data demand in China. For China Unicom, the data usage of its mobile subscribers more than doubled from 122,476 million megabytes to 269,800 million megabytes in 2013[(1)]. Aiming this opportunity, we assist operators to boost their data processing capability through server upgrades. This segment posted a 6.2% increase in revenue to S$63.6 million in FY2014. In terms of profit, Operation and Business Support Solutions was the second largest contributor to the Group's overall gross profit.

OPERATION AND FINANCIAL REVIEW

FY2014's gross profit was lower at RMB75.4 million, as compared to RMB82.7 million in the previous financial year.While the other four business divisions were performing relatively well, our Broadband Data Solutions encountered margin pressure due to intensified competition in this segment.

Lower headcount led to the decrease in sales and distribution expenses by 16.7% to RMB11.7 million.Administrative expenses amounted to RMB18.5 million, which were lower compared to the previous corresponding period due to lower amortisation of intangible assets. In line with higher bank borrowings, finance expenses increased by 13.5% to RMB20.5 million during the period.

Overall, net profit margin was relatively stable at 8.8% in FY2014 as compared to 8.6% in FY2013.

BALANCE SHEET HIGHLIGHTS

Improved payment collection resulted in the decrease of trade receivables from RMB539.0 million as at 30 April 2013 to RMB509.7 million as at 30 April 2014. Work-in-progress increased from RMB52.3 million as at 30 April 2013 to RMB190.30 million as at 30 April 2014 mainly due to a few major projects involving the supply and installation of cloud computing facilities for China Unicom. During the period, short-term bank borrowings increased from RBM291.8 million to RMB298.0 million. As at end April 2014, total assets amounted to RMB855.3 million while total liabilities were registered at RMB449.7 million.

CASH FLOW HIGHLIGHTS

Due to higher contract work in progress, cash outflow used in operating activities were RMB82.3 million in FY2014. During the period, cash outflow used in investing activities were RMB4.3 million. Proceeds from share placement and additional bank borrowings during the financial year resulted in cash inflow generated from financing activities of RMB123.2 million.

As at end April 2014, cash and cash balances stood at RMB67.5 million.

Footnotes:
(1)"China Unicom 2013 Annual Results Presentation", China Unicom (Hong Kong) Limited, 27 February 2014

STATEMENT OF CORPORATE GOVERNANCE

INTRODUCTION

The Directors and the Management of ACE Achieve Infocom Limited ("the Company") are committed to uphold good corporate governance. This commitment to corporate governance is seen in their continuous support of the Singapore Code of Corporate Governance 2012 (the "Code") issued by the Singapore Council on Corporate Disclosure and Governance, in their effort to observe high standards of transparency, accountability and integrity in managing the Group's business in order to create value for its shareholders and safeguard the Group's assets.

This Statement describes the practices the Company has taken with respect to each of the principles and guidelines and the extent of its compliance with the Code during the financial year ended 30 April 2014 ("FY2014").

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1 : ***Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and the Management remains accountable to the Board.***

The Company is headed by an effective Board, comprising competent individuals with diversified background and collectively brings with them a wide range of experience, to lead and control the Company. The Board is responsible for the overall management and success of the Group. It establishes corporate strategies for the Group and sets directions and goals for the executive management, supervises them and monitors the performance of these goals to enhance shareholders' value. The Board is also responsible for the overall corporate governance of the Group.

The profile of each Director is presented in the "Directors' Profile" of this Annual Report.

To assist in the execution of its responsibilities, the Board has established an Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"). These committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The effectiveness of these committees is also constantly reviewed by the Board. The roles and responsibilities of these committees are provided for in the latter sections of this Statement of Corporate Governance.

The Board meets on a regular basis and as when necessary, to address any specific significant matters that may arise.

As provided for under Bye-Law 115(2) of the Company's Bye-Laws, the Directors of the Company may participate in any meeting of the Board by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.

STATEMENT OF CORPORATE GOVERNANCE

The number of Board and Board Committees meetings held during the FY2014 and the attendance of each Director where relevant are as follows :-

	Board		Audit Committee		Nominating Committee		Remuneration Committee	
Name of Director	No. of Meetings held	No. of Meetings attended	No. of Meetings held	No. of Meetings attended	No. of Meetings held	No. of Meetings attended	No. of Meetings held	No. of Meetings attended
Deng Zelin	3	3	NA	NA	NA	NA	NA	NA
Sun Yujing (resigned on 8 August 2014)	3	1	NA	NA	1	0	NA	NA
Sun Yuzhen (resigned on 8 August 2014)	3	1	2	1	NA	NA	1	0
Yeung Koon Sang @ David Yeung	3	3	2	2	1	1	1	1
Ong Tiew Siam	3	3	2	2	1	1	1	1
Yang Fan (appointed on 8 August 2014)	NA	NA	NA	NA	NA	NA	NA	NA

NA : Not applicable

The Board has identified the following areas for which the Board has direct responsibility for decision making:-

- Approving the Group's major investments and funding decisions;
- Approving the Group's half-year and full-year results announcement for release to the Singapore Exchange Securities Trading Limited ("**SGX-ST**");
- Approving Annual Report and Audited Financial Statements;
- Approval of Corporate Strategies;
- Approval of material acquisitions and disposal of assets;
- Reviewing the adequacy and integrity of the Group's internal controls, risk management systems and financial reporting systems; and
- Assuming responsibility for corporate governance.

Upon appointment, each Director will receive appropriate training to ensure that the Directors are familiar with the Group's business and governance practices. Visits to the Group's production facilities are also arranged to acquaint the non-executive Directors with the Group's operations. They will also be provided a formal letter setting out their duties and obligations.

Where appropriate, developments in legislation, government policies and regulations affecting the Group's businesses and operations are provided to all Directors on a timely basis. The Directors have access to the advice of the company secretary and the Management. They may also seek independent professional advice concerning the Company's affairs when necessary.

Board Composition and Guidance

Principle 2 : There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The current Board consist of four (4) members comprising the Executive Chairman, an Executive Director, and two (2) Independent Non-Executive Directors. The number of Independent Directors complies with the Code's requirement that at least half of the Board should be made up of Independent Directors, which brings a strong and independent element to the Board.

The Board comprises the following members:-

Mr. Deng Zelin	Executive Chairman and Chief Executive Officer ("CEO")
Ms. Sun Yujing	Executive Director & Deputy Chairman (resigned on 8 August 2014)
Ms. Sun Yuzhen	Non-Executive Director (resigned on 8 August 2014)
Mr. Yeung Koon Sang @ David Yeung	Lead Independent Director
Mr. Ong Tiew Siam	Independent Director
Ms. Yang Fan	Executive Director & Deputy Chairman (appointed on 8 August 2014)

The Independent Directors, namely Mr. Yeung Koon Sang @ David Yeung and Mr. Ong Tiew Siam, have confirmed that they do not have any relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independent judgment of the Group's affairs with a view to the best interest of the Company.

On an annual basis and upon notification by an Independent Director of a change in circumstances, the NC will review the independence of each Independent Director based on the criteria for independence defined in the Code and recommends to the Board as to whether the director is to be considered independent. The NC has reviewed and determined that the said Directors are independent.

The 2012 Code states that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. In this regard, the NC noted that Mr. Yeung Koon Sang @ David Yeung was first appointed to the Board on 17 September 2004. However, the NC considered that Mr. David Yeung has demonstrated independent judgment at board and board committee meetings, and was of the firm view that he has been exercising independent judgment in the best interests of the Company in the discharge of his director's duties. The NC therefore continued to deem Mr. David Yeung as an independent director. The Board concurred with the reasons set forth by the NC and was of the view that Mr. David Yeung should be deemed independent.

STATEMENT OF CORPORATE GOVERNANCE

As part of Board renewal process, Mr. Ong Tiew Siam will be retiring at the forthcoming Annual General Meeting ("AGM") of the Company, and will not be offering himself for re-election.

The Board examines its size and after taking into account the scope and nature of the Company's operations as well as the diversified background and experience of the Directors that provides core competencies in areas such as finance, accounting, business management, industry knowledge and strategic planning experience, is satisfied that the Board is of an appropriate size to facilitate effective decision making.

The non-executive director is also involved in reviewing the corporate strategies, business operations and practices of the Group, as well as reviewing and monitoring the performance of the Management in achieving agreed goals and objectives.

Chairman and Chief Executive Officer

Principle 3 : There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Executive Chairman and CEO of the Company is Mr. Deng Zelin. Mr. Deng assumes the roles of both the Executive Chairman and the CEO as he was the founder of the Group who has extensive experience and knowledge in the telecommunication industry and has played an instrumental role in directing the Group's overall strategy and growth as well as the overall management of the Group. He also assists in ensuring compliance with the Group's guidelines on the Code.

Although the Chairman and the CEO is the same person, the Board is of the view that there is a sufficiently strong independent element on the Board to enable the independent exercise of objective judgement on corporate affairs of the Group and the process of decision making by the Board is independent with the establishment of the various Board Committees which are chaired by Independent Directors. There are sufficient safeguards in place to ensure that the Management is accountable to the Board as a whole.

The Chairman / CEO ensures that Board meetings are held when necessary, sets Board meeting agenda and reviews Board Papers in consultation with the Management, prior to presenting them to the Board. The Chairman / CEO ensures that Board members are provided with complete, adequate and timely information on a regular basis to enable them to be fully cognisant of the affairs of the Group.

In order to promote high standards of corporate governance and to ensure effective communication with its shareholders, Mr. Yeung Koon Sang @ David Yeung acts as the Group's Lead Independent Director to whom any concerns with regards to the Group may be conveyed to.

Board Membership

Principle 4 : There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The Company had established a NC to make recommendations to the Board on all board appointments. The NC comprises the following three (3) directors, a majority of whom including the Chairman of the NC, are independent non-executive directors. The Chairman of the NC is also not associated with any substantial shareholders of the Company:-

Mr. Ong Tiew Siam	(Chairman)
Mr. Yeung Koon Sang @ David Yeung	(Member)
Ms. Sun Yujing	(Member) (resigned on 8 August 2014)
Ms. Yang Fan	(Member) (appointed on 8 August 2014)

The NC is governed by the NC's Terms of Reference which describes the duties and functions of the NC.

The duties and functions of the NC are as follows :-

(a) Evaluate and keep under review the balance of skills, knowledge and experience of the Directors (and the likely changes to such in the future) and make recommendations to the Board in relation to the rotation and succession of the Directors.

(b) Make recommendations to the Board relating to all matters of a Director's independence and to review annually each Director's independence including his / her actual, potential or perceived conflicts of interests and commitments in terms of time.

(c) Make recommendation to the Board regarding the re-appointment of directors upon their falling due for re-election by shareholders in accordance with the Company's Bye-laws or their re-appointment at the end of a specified term as set out in their letter of appointment.

(d) Make recommendation to the Board relating to the continuation in office of any Director.

(e) Consider how the Board's performance may be evaluated and to propose objective performance criteria, subject to the approval of the Board, which addresses how the Board has enhanced long-term shareholders' value.

The Company's Bye-Laws provides that all the directors shall retire by rotation at least once every three (3) years and such retiring Director shall be eligible for re-election.

Mr. Ong Tiew Siam will retire by rotation at the forthcoming Annual General Meeting ("AGM") according to Bye-Law 86(1). Ms. Yang Fan who was appointed on 8 August 2014 will retire at the forthcoming AGM according to Bye-Law 85(6). Ms. Yang Fan will, upon re-election as a Director, remain as Executive Director & Deputy Chairman and member of NC.

STATEMENT OF CORPORATE GOVERNANCE

Where a vacancy arises, the NC will consider each candidate for directorship based on the selection criteria determined after consultation with the Board and after taking into consideration the qualification and experience of such candidate, his / her ability to increase the effectiveness of the Board and to add value to the Group's business in line with its strategic objectives, the NC will recommend the candidate to the Board for approval. Under the Company's Bye-Laws, a Director appointed by the Board shall retire at the AGM following his / her appointment and he / she shall be eligible for re-election at that meeting.

The dates of initial appointment and last re-election of each Director are set out below:

Name of Director	Position	Date of First Appointment	Date of Last Re-election	Current directorships in listed companies	Past directorships in listed companies (preceding three years)
Deng Zelin	Executive Chairman and CEO	17/6/2004	29/08/2012	Nil	Nil
Sun Yujing (resigned on 8 August 2014)	Executive Director & Deputy Chairman	17/6/2004	29/08/2012	Nil	Nil
Sun Yuzhen (resigned on 8 August 2014)	Non-Executive Director	17/9/2004	30/08/2013	Nil	Nil
Yeung Koon Sang @ David Yeung	Lead Independent Director	17/9/2004	30/08/2013	1. Mary Chia Holdings Limited 2. AEI Corporation Ltd 3. Southern Packaging Group Ltd 4. United Envirotech Ltd 5. CNA Group Ltd	China Flexible Packaging Holdings Limited
Ong Tiew Siam	Independent Director	17/9/2004	30/09/2011	1. Fung Choi Media Group Limited 2. Tat Hong Holdings Ltd 3. Design Studio Furniture Manufacturer Limited 4. Lizhong Wheel Group Ltd. 5. Valuetronics Holdings Limited	China Flexible Packaging Holdings Limited
Yang Fan	Executive Director & Deputy Chairman	08/08/2014	NA	Nil	Nil

Key information regarding the Directors' academic qualifications are set out in the "Directors' Profile" of this Annual Report.

The NC meets at least once a year.

Multiple board representation

The NC considers and is of the view that it will not set a limit on the number of directorships that a Director may hold because each Director has different capabilities, and the nature of the organizations in which they hold appointments and the kind of committees on which they serve are of different complexities. The NC will continue to monitor and assess the demands of each Director's competing directorships and obligations to ensure each Director has given sufficient time and attention to the affairs of the Company and has adequately discharge his duties to the Company. Based on its assessment, the NC will then determine, if required, the maximum number of directorship each Director can hold.

Board Performance

Principle 5 : ***There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.***

On an annual basis, the NC in consultation with the Chairman of the Board, will review and evaluate the performance of the Board as a whole, taking into consideration the attendance record at the meetings of the Board and Board Committees and also the contribution of each Director to the effectiveness of the Board.

Other than the attendance record at meetings, the contribution of individual director is also measured by other performance criteria which the Board may propose. The criteria for assessing the Board's performance include Board composition and size, Board processes, accountability, standard of conduct and performance of its principal functions and fiduciary duties and guidance to and communication with the Management.

The NC is satisfied that despite some of the Directors having other Board representations, the Directors are able to and have adequately carried out their duties as Directors of the Company. The NC has noted that its members have contributed significantly in terms of time, effort and commitment during the financial year 2014.

Access to Information

Principle 6 : ***In order to fulfill their responsibilities, director should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.***

The Board has separate and independent access to the senior management of the Group at all times. Request for information are dealt with promptly by the Management. The Board is informed of all material events and transactions as and when they occur. The information made available to the Directors are in various forms such as half-year and full-year financial results, progress reports of the Group's operations, corporate development, regulatory updates, business developments and audit reports. The Management also consults with Board members regularly whenever necessary and appropriate. The Board is issued with Board papers timely prior to Board meetings.

STATEMENT OF CORPORATE GOVERNANCE

The Directors also have separate and independent access to the company secretary. The role of the company secretary is to administer, attend and prepare minutes of Board meetings, assist the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively and the Company's Bye-Laws, Listing Manual of SGX-ST and other relevant rules and regulations applicable to the Company are complied with. The company secretary and/or the corporate secretarial representative also attend(s) all Board meetings. The appointment and removal of the company secretary are decided by the Board as a whole.

The Board in fulfilling its responsibilities can as a group or individually, when deemed fit, direct the Company, at the Company's expense, to appoint an independent professional adviser, to render professional advice.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7 : ***There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.***

The RC comprises the following two (2) directors, all of whom are non-executive directors, including the Chairman of the RC, are independent :-

Mr. Ong Tiew Siam	(Chairman)
Mr. Yeung Koon Sang @ David Yeung	(Member)
Ms. Sun Yuzhen	(Member) (resigned on 8 August 2014)

The RC is governed by the RC's Terms of Reference which describes the duties and responsibilities of the RC.

The RC is responsible :-

(a) to recommend to the Board a policy of remuneration for the Board and key executives, and to determine the terms of employment and remuneration packages for each Executive Director, which covers all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits in kind;

(b) to approve any compensation packages or arrangements following the severance of any Executive Director's service contract;

(c) to recommend to the Board the establishment of any employee share plans, including all material and non-material amendments to the plan and to exercise all the powers of the Board in relation to the operation of any share and incentive plans, including the granting of awards and options, and the setting and testing of performance conditions; and

(d) to administer the Ace Achieve Employee Share Option Scheme ("Ace Achieve ESOS") and to review and approve all Ace Achieve ESOS allocations.

The RC's recommendations are made in consultation with the Chairman of the Board and submitted to the entire Board for endorsement.

STATEMENT OF CORPORATE GOVERNANCE

The Directors are not involved in the discussion and in deciding their own remuneration.

The RC meets at least once a year.

Level and Mix of Remuneration

Principle 8 : ***The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.***

In setting remuneration packages for Executive Directors, the performance related elements of remuneration form a significant portion of the total remuneration package in order to align the Executive Directors' interests with those of shareholders and to link rewards to corporate and individual performance. The RC will also take into consideration the pay and employment conditions within the industry and comparable companies.

The remuneration of Non-Executive Directors will also be reviewed to ensure that the remuneration commensurate with the contribution, effort and time spent, and the responsibilities of the Directors.

The Directors' Fees paid to the Independent Directors of the Company each year are subject to the approval of the Company's shareholders at the AGM.

Disclosure of Remuneration

Principle 9 : ***Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.***

The remuneration of the Directors and the key executives, who are not directors of the Company, for FY2014, are disclosed below. The disclosure is to enable investors to understand the link between remuneration paid to Directors and key management personnel and their performance.

The breakdown (in percentage terms) of each Directors' and key executives' remuneration for FY2014 are as follows :-

Directors

Name	Salary %	Bonus %	Benefits in Kind %	Directors' Fees %	Total %
Below S$250,000					
Deng Zelin	100	–	–	–	100
Sun Yujing (resigned on 8 August 2014)	100	–	–	–	100
Sun Yuzhen (resigned on 8 August 2014)	–	–	–	–	–
Yeung Koon Sang @ David Yeung	–	–	–	100	100
Ong Tiew Siam	–	–	–	100	100

STATEMENT OF CORPORATE GOVERNANCE

Key Management Personnel

Name	Salary %	Bonus %	Benefits in Kind %	Total %
Below S$250,000				
Chen Xu	100	–	–	100
Zhou Ai Zhen	100	–	–	100
Gao Wei Hua	100	–	–	100
Shu Min	100	–	–	100
Yang Fan (Appointed as a director on 8 August 2014)	100	–	–	100

Save as disclosed above, the Company does not have any employees who are immediate family members of a Director or the CEO, and whose remuneration for FY2014 exceeds S$50,000.

Information on the Ace Achieve ESOS is set out in the "Directors' Report" section of this Annual Report.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10 : The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is responsible to provide a balanced and understandable assessment of the Group's performance, position and prospects, to its shareholders, the public and regulators.

The Board is accountable to its shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to its shareholders in compliance with the statutory requirements and the Listing Manual of SGX-ST.

Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports are announced and issued within the statutory prescribed periods.

The auditors of the Company's subsidiaries are disclosed in note 13 to the financial statements in this Annual Report. The Company confirms that Rules 712 and 715 of the Listing Manual of SGX-ST is complied with.

Risk Management and Internal Controls

Principle 11 : The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interest and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

STATEMENT OF CORPORATE GOVERNANCE

The Company does not have a Risk Management Committee. However, the Management regularly reviews the Company's businesses and operational activities to identify areas of significant business risks and takes appropriate measures to minimize these risks. Notwithstanding the long outstanding trade receivables which is peculiar to the telecommunication solutions and products industry in China, Management is confident of collecting all trade receivables and has set up a task force to monitor and ensure all trade receivables are collected within a reasonable timeframe. The Company reviews all significant control policies and procedures and highlights all significant matters to the AC and Board. The Management and Directors have also considered the various financial risks, details of which are disclosed in the notes to the accompanying audited financial statements.

In FY2014, Messrs Crowe Horwath First Trust Risk Advisory Pte Ltd was appointed to establish an Enterprise Management Framework to facilitate the set-up of a system of risk management and internal controls during the financial year.

The AC will ensure that a review of the effectiveness of the Group's material internal controls, including financial, operational, compliance controls and risk management is conducted annually. The AC will review the audit plans, and the findings of the external auditors and will ensure that the Group follows up on the external auditors' recommendations raised, if any, during the audit process.

In FY2014, the Board had received assurance from CEO and General Manager (Corporate Services) :

(a) that the financial records have been properly maintained and the financial statements in FY2014 give a true and fair view of the Company's operations and finances; and

(b) regarding the effectiveness of the Company's risk management and internal control system.

Based on the internal controls established and maintained by the Group, work performed by the external auditors and reviews performed by the Management, the AC and the Board is of the opinion that, the Group's system of internal controls, addressing financial, operational, compliance and information technology risks, were adequate as at 30 April 2014.

<u>Audit Committee</u>

Principle 12 : The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

The AC comprises the following two (2) Directors, all of whom are Non-Executive Directors and a majority including the Chairman of the AC, are Independent Directors :-

Mr. Yeung Koon Sang @ David Yeung	(Chairman)
Mr. Ong Tiew Siam	(Member)
Ms. Sun Yuzhen	(Member) (resigned on 8 August 2014)

The Board ensures that the members of the AC are appropriately qualified to discharge their responsibilities. The Chairman of the AC, Mr. Yeung Koon Sang @ David Yeung and Mr. Ong Tiew Siam are all qualified Accountants and they possess the requisite accounting and financial management expertise and experience.

The AC is governed by its Terms of Reference which highlights its duties and functions as follows :-

(a) to consider the appointment, dismissal or resignation of the external auditors and to oversee the process for selecting the auditors and to make appropriate recommendations, through the Board, to shareholders to consider at the AGMs concerning the re-appointment of the auditors.

STATEMENT OF CORPORATE GOVERNANCE

(b) to assess the independence and objectivity of the external auditors. To approve and monitor the application of and to ensure that the nature and amount of non-audit work does not impair the auditor's independence and objectivity.

(c) to recommend the audit fee of the external auditors to the Board.

(c) to discuss with the external auditors the nature, scope and effectiveness of the annual audit process taking into account relevant professional and regulatory requirements and to review the auditors' quality control procedures and the steps taken by the auditors to respond to changes in regulatory and other requirements.

(e) to approve the auditors' engagement letter and any amendments thereto and to review the auditors' management letter and management's response thereto.

(f) to review the co-ordination between the external auditors and the Management, the assistance given by the Management to the auditors and addressing any issues arising from the audits, and any matters raised by the auditors (in the absence of the Management where necessary).

(g) to review and assess the appropriateness of the Company's procedures for handling concerns raised by staff or others about possible improprieties in financial reporting or other matters.

(h) to review internal control and procedures, including review of the internal auditor's internal audit plan and internal audit findings.

(i) to review interested person transactions of the Group.

(j) to review and challenge, where necessary, the actions and judgments of the Management, in relation to the interim and annual financial statements, and any formal announcements relating to the Company's financial performance paying particular attention to critical accounting policies and practices, decisions requiring a major element of judgment, unusual transactions during the year, clarity of disclosures, significant audit adjustments, compliance with accounting standards and other legal requirements, and to recommend the financial statements and / or announcements to the Board for their approval.

(k) to note any significant pending legal actions against or by a Group company and to note any material breaches of compliance, regulations or legislation.

The AC has the power to conduct and authorize investigations into matters within the AC's scope of responsibility and to retain professional advisers at the Company's expense. The AC also has full access to and co-operation of the Company's Management and has full discretion to invite any Director or executive officer to attend the AC meetings, and has been given reasonable resources to enable it to discharge its functions.

During the year under review, the AC has :

(a) reviewed the scope of work of both internal and external auditors;

(b) reviewed the audit plans and discuss the results of the respective findings and their evaluation of the Group's system of internal accounting controls;

(c) reviewed the financial statements of the Group for the financial year ended 30 April 2014 as well as the audit report, the half year and full year financial results announcements, before they are recommended to the Board for approval;

(d) reviewed the interested person transactions of the Group;

(e) met with the Company's external and internal auditors without the presence of the Management at least once a year;

(f) reviewed the external auditors independence and objectivity.

Messrs Moore Stephens LLP was appointed as the Company's external auditors via the Company's Special General Meeting held on 13 April 2012. Mr. Neo Keng Jin is the audit engagement partner in charge of the audit of the Company.

There are no non-audit services provided by the external auditors in FY2014. The AC is also satisfied with the level of co-operation rendered by the Management to the external auditors and the adequacy of the scope and quality of their audit.

The audit and non-audit fees of the Company are disclosed in note 8 to the financial statements in this Annual Report.

Messrs Moore Stephens LLP has indicated their intention not to seek re-appointment as auditors of the Company at the forthcoming AGM. The Company will convene a Special General Meeting to appoint new auditors and to accept the resignation of Messrs Moore Stephens LLP in due course.

The Company has in place a Whistle Blowing Policy ("Policy") to enable persons employed by the Group a channel to report any suspicions of non-compliance with regulations, policies and fraud, etc, to the appropriate authority for resolution, without any prejudicial implications for these employees. The Policy also serves to ensure that any issues or complaints raised will be dealt with swiftly and effectively. The AC has been vested with the power and authority to receive, investigate and enforce appropriate action when any such non-compliance matter is brought to its attention.

Internal Audit

Principle 13 : The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Board recognizes the importance of maintaining an internal audit function, independent of the activities it audits, to maintain a sound system of internal control within the Group to safeguard shareholders' interests, the Group's assets and to manage risk.

The size of the operations of the Group does not warrant the Group to have an in-house internal audit function.

The Company had engaged Messrs Crowe Horwath First Trust Risk Advisory Pte Ltd to review its Enterprise Risk Management ("ERM") framework. The Company recognizes that it is impossible to fully eliminate risk and has adopted the approach to determine and achieve the right balance between mitigating the downside of risks to an acceptable level whilst taking advantage of opportunities.

STATEMENT OF CORPORATE GOVERNANCE

The internal auditors have a direct and primary reporting line to the Audit Committee and assist the Board in monitoring and managing risks and internal controls of the Group.

The AC will review the adequacy of the internal audit function annually and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14 : Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Communication with Shareholders

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Conduct of Shareholder Meetings

Principle 16 : Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company does not practice selective disclosure. In line with continuous obligations of the Company pursuant to the Listing Manual of SGX-ST, the Board's policy is that all shareholders should be equally informed of all major developments impacting the Group.

Information is disseminated to shareholders on a timely basis through :

- SGXNET announcements and press releases; and
- Annual Reports prepared and issued to all shareholders.

All shareholders of the Company will receive the notice of the AGM and the notice will also be advertised in the newspaper. At the Company's Annual General Meeting ("AGM"), shareholders are given the opportunity to voice their views and ask Directors or the Management questions regarding the Company.

The Chairmen of the AC, RC and NC will normally be present at AGMs to answer any questions relating to the work of these committees. The external auditors are also present at the AGM to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.

There are separate resolutions at the shareholders' meetings to address each distinct issue. The Company's Bye-Laws allow a member of the Company to appoint not more than two (2) proxies to attend and vote on behalf of the member, provided that if the member is The Central Depository (Pte) Limited (the "Depository")), the Depository appoint more than two (2) proxies to attend and vote at the same meeting.

STATEMENT OF CORPORATE GOVERNANCE

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and others factors as the Directors may deem appropriate that are beneficial to the Company. Notwithstanding the above, any declaration of dividends is clearly communicated to the shareholders via SGXNET. The Group has declared a final dividend of RMB0.002 per ordinary share for FY2014.

MATERIAL CONTRACTS

There were no material contracts or loans entered into between the Company and any of its subsidiaries involving interests of the CEO, any Director or controlling shareholder during FY2014.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to **ensure** that all transactions with interested persons are reported in a timely manner to the AC and these interested persons transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders.

The Group does not have a general mandate for recurrent interested person transactions and there were no interested person transactions of more than S$100,000 entered into during FY2014.

DEALING IN SECURITIES

In line with Rule 1207 (19) of the Listing Manual of SGX-ST, the Company has in place a policy prohibiting share dealings by Directors and employees of the Group when in possession of price sensitive information and for the period of one (1) month before the announcement of the Company's half-year or full-year financial results. Directors and employees of the Company should not deal in the Company's securities on short term considerations.

Directors and employees of the Group are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading period.

USE OF PROCEEDS

The Group had successfully raised approximately RMB21.5 million (S$4.3 million) ("Share Placement Proceeds") from issuance of 100,000,000 new ordinary shares in the capital of the company at an issue price of S$0.043 for each share. The proceeds from the share placement have been fully utilised as at the date of this Annual Report.

DIRECTORS' REPORT

For the financial year ended 30 April 2014

The directors are pleased to present their report to the members together with the consolidated financial statements of Ace Achieve Infocom Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 30 April 2014 and the balance sheet of the Company as at 30 April 2014.

1 Directors

The directors of the Company in office at the date of this report are as follows:

Mr Deng Zelin
Ms Yang Fan (Appointed on 8 August 2014)
Mr Yeung Koon Sang @ David Yeung
Mr Ong Tiew Siam

2 Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share Options" on page 25 of this report.

3 Directors' Interest in Shares and Debentures

According to the register of the directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or related corporations, except as follows:

Name of Directors	**Shareholdings in which director is deemed to have an interest**	
	At 1 May 2013	**At 30 April 2014**
The Company		
No. of Ordinary Shares @ US$0.015 each		
Mr Deng Zelin	150,223,000	225,449,600
Ms Sun Yujing (Resigned on 8 August 2014)	212,944,400	–
Ms Sun Yuzhen (Resigned on 8 August 2014)	27,544,400	–

The directors' interest in the ordinary shares of the Company as at 21 May 2014 were the same as those as at 30 April 2014.

4 Directors' Contractual Benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which he has a substantial financial interest, except as disclosed in the financial statements. Certain directors also received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

5 Share Options

During the financial year, no options to take up unissued shares of the Company or its subsidiaries were granted and no shares were issued by virtue of the exercise of options to take up unissued shares of the Company or any subsidiaries.

The Ace Achieve Employee Share Option Scheme (the "Scheme") of the Company was approved and adopted by shareholders on 28 September 2004. At the date of this report, the Scheme is administered by the Remuneration Committee whose members comprise of Mr Ong Tiew Siam and Mr Yeung Koon Sang @ David Yeung.

The share options granted under the Scheme may have exercise prices that are, at the discretion of the Remuneration Committee, set at a price equal to the average of the last dealt prices for the shares on the Singapore Securities Exchange Trading Limited ("SGX-ST") over the five consecutive trading days immediately preceding the date of grant of that share option (the "Market Price"); or at a discount to the Market Price (subject to a maximum discount of 20%). Share options which are fixed at the Market Price ("Market Price Options") shall only be exercisable, in whole or in part, after the first anniversary of the date of grant of that Market Price Options while share options fixed at a discount to the Market Price ("Incentive Options") shall only be exercisable after the second anniversary of the date of grant of that Incentive Options. Share options granted under the Scheme can have a life span of up to 10 years.

The aggregate number of shares over which options may be granted on any date, when added to the number of shares issued and issuable in respect of all options granted under the Scheme, shall not exceed 15% of the issued share capital of the Company on the day preceding that date.

No option has been granted since the adoption of the Scheme.

6 Audit Committee

The members of the Audit Committee at the date of this report are as follows:

Mr Yeung Koon Sang @ David Yeung	(Chairman)
Mr Ong Tiew Siam	(Member)

All members of the Audit Committee (including the Chairman) are non-executive and independent directors. The Audit Committee performs the functions specified by the Listing Manual of the SGX-ST and the Code of Corporate Governance.

The nature and extent of the functions performed by the Audit Committee are detailed in the Statement of Corporate Governance set out in the Annual Report of the Company.

DIRECTORS' REPORT

For the financial year ended 30 April 2014

7 Independent Auditors

Moore Stephens LLP, Public Accountants and Chartered Accountants, have expressed that they will not seek reappointment as auditors.

On behalf of the Board of Directors

Deng Zelin
Director

Yang Fan
Director

12 August 2014

STATEMENT BY DIRECTORS

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet of the Company as set out on pages 31 to 81 have been properly drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 April 2014 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

Deng Zelin
Director

Yang Fan
Director

12 August 2014

INDEPENDENT AUDITORS' REPORT

To the Members of Ace Achieve Infocom Limited

1. We were engaged to audit the accompanying financial statements of Ace Achieve Infocom Limited (the "Company") and its subsidiaries (the "Group"), as set out on pages 31 to 81, which comprise the balance sheets of the Group and of the Company as at 30 April 2014, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on conducting our audit in accordance with Singapore Standards on Auditing. Because of the matters described in the Basis of Disclaimer of Opinion paragraphs, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

<u>Recoverability of Trade Receivables</u>

4. Our independent auditors' report dated 7 August 2013 for the financial statements for the year ended 30 April 2013 expressed a disclaimer audit opinion as we were not able to obtain sufficient appropriate evidence, nor were we able to perform alternative audit procedures, to ascertain the recoverability of the Group's trade receivables. Consequently, we were unable to determine whether any adjustments to the trade receivables as of 30 April 2013 were necessary. An update of the matter that gave rise to the disclaimer opinion in respect of the 30 April 2013 financial statements is set out in paragraph 5 below.

5. As set out in Note 34 (a) to the financial statements, the Group has net billed trade receivables which are past due but not impaired amounting to RMB 58,365,000 (2013: RMB 55,700,000) and unbilled trade receivables which are outstanding for more than 1 year amounting to RMB 295,650,000 (2013: RMB 308,054,000) as at 30 April 2014. Subsequent to the balance sheet date, the Group has recovered RMB 3,064,000 (2013: RMB 2,635,000) and RMB 1,043,000 (2013: RMB 32,917,000) of these long outstanding billed and unbilled trade receivables respectively. Management was of the view that no allowance for impairment was necessary. However, we were not able to obtain sufficient appropriate audit evidence to support the management's view in this regard. We were not able to perform alternative audit procedures to ascertain the recoverability of the remaining long outstanding billed and unbilled trade receivables of RMB 55,301,000 (2013: RMB 53,065,000) and RMB 294,607,000 (2013: RMB 275,137,000) respectively. Consequently, we were unable to determine whether any adjustments to the remaining amount totalling RMB 349,908,000 as at 30 April 2014 (2013: RMB 328,202,000) were necessary.

Basis for Disclaimer of Opinion (cont'd)

Recoverability of Other Receivables

6. As set out in Note 34 (a) to the financial statements, the Group has net other receivables which are outstanding for more than 1 year amounting to RMB 45,698,000 as at 30 April 2014. Subsequent to the balance sheet date, the Group has recovered RMB 19,027,000 of these long outstanding other receivables. Management was of the view that no allowance for impairment was necessary. However, we were not able to obtain sufficient appropriate audit evidence to support the management's view in this regard. We were not able to perform alternative audit procedures to ascertain the recoverability of the remaining long outstanding other receivables of RMB 26,671,000. Consequently, we were unable to determine whether any adjustments to the remaining amount of RMB 26,671,000 were necessary.

Recoverability of Contract Work-in-Progress

7. As set out in Note 17 to the financial statements, the Group has contract work-in-progress amounting to RMB 190,304,000. Management was of the view that the carrying amount of contract work-in-progress is recoverable and no write-down was necessary. However, we were not able to obtain sufficient appropriate audit evidence to support the management's view in this regard. We were not able to perform alternative audit procedures to ascertain the recoverability of the contract work-in-progress. Consequently, we were unable to determine whether any adjustments to the contract work-in-progress amount of RMB 190,304,000 were necessary.

Recoverability of Investment in Subsidiaries and Amounts Due From Subsidiaries

8. As set out in Notes 13 and 15 to the financial statements, the Company has investment in subsidiaries and amounts due from subsidiaries of RMB 15,646,000 and RMB 169,889,000 respectively as at 30 April 2014. Management was of the view that no allowance for impairment was necessary. However, we were not able to obtain sufficient appropriate audit evidence to support the management's view in this regard. We were not able to perform alternative audit procedures to ascertain the recoverability of the investment in subsidiaries and amounts due from subsidiaries. Consequently, we were unable to determine whether any adjustments to the investment in subsidiaries and amounts due from subsidiaries were necessary.

Appropriateness of Going Concern Assumption

9. Management has prepared the financial statements on a going concern basis on the assumption that the Group and Company will be able to generate sufficient cash flows from future operations and the trade receivables, other receivables, contract work-in-progress, investment in subsidiaries and amounts due from subsidiaries referred to in paragraphs 4 to 8 above are fully recoverable. However, because of the matters referred to in paragraphs 4 to 8 above, we were unable to satisfy ourselves as to the appropriateness of the use of the going concern assumption in the preparation of these financial statements.

INDEPENDENT AUDITORS' REPORT

To the Members of Ace Achieve Infocom Limited

Basis for Disclaimer of Opinion (cont'd)

Appropriateness of Going Concern Assumption (cont'd)

10. In the event the Group and the Company are unable to continue as going concerns, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are recorded in the balance sheets. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No such adjustments have been made to these financial statements.

Disclaimer of Opinion

11. Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs 4 to 10 above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore

12 August 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

	Note	Group 2014	Group 2013
		RMB'000	RMB'000
Revenue	4	237,822	213,696
Cost of sales		(162,453)	(131,033)
Gross profit		75,369	82,663
Other operating income	5	3,342	332
Selling and distribution expenses		(11,673)	(14,015)
Administrative expenses		(18,457)	(19,935)
Other operating expenses	6	(3,895)	(9,339)
Finance expenses	7	(20,509)	(18,074)
Profit before income tax	8	24,177	21,632
Income tax expense	10	(3,247)	(3,350)
Net profit for the financial year		20,930	18,282
Other comprehensive income		–	–
Total comprehensive income for the financial year attributable to equity holders of the Company		20,930	18,282
Earnings per share (RMB cents)	11		
- Basic		2.97	2.80
- Diluted		2.97	2.80

The accompanying notes form an integral part of these financial statements

BALANCE SHEETS

As at 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

	Note	Group 2014 RMB'000	Group 2013 RMB'000	Company 2014 RMB'000	Company 2013 RMB'000
ASSETS					
Non-current assets					
Plant and equipment	12	1,651	1,074	–	–
Investment in subsidiaries	13	–	–	15,646	15,646
Intangible assets	14	9,493	9,121	–	–
		11,144	10,195	15,646	15,646
Current assets					
Inventories	16	–	363	–	–
Contract work-in-progress	17	190,304	52,267	–	–
Trade receivables	18	509,705	538,981	–	–
Other receivables	19	70,478	57,205	7	7
Due from subsidiaries	15	–	–	169,889	150,758
Due from related parties	20	6,171	6,716	–	83
Cash and bank balances	21	67,505	32,805	131	93
		844,163	688,337	170,027	150,941
TOTAL ASSETS		855,307	698,532	185,673	166,587
EQUITY AND LIABILITIES					
Capital and reserves attributable to equity holders of the Company					
Share capital	22	92,938	71,438	92,938	71,438
Share premium	22	85,226	86,235	85,226	86,235
Reserves	23	227,466	206,536	4,691	6,747
TOTAL EQUITY		405,630	364,209	182,855	164,420
LIABILITIES					
Current liabilities					
Trade payables	24	69,193	59,149	–	–
Other payables and accruals	25	21,959	20,100	2,701	1,700
Due to directors	26	329	588	117	467
Provision for warranty	27	4,346	3,157	–	–
Borrowings	28	303,044	219,762	–	–
		398,871	302,756	2,818	2,167
Non-current liabilities					
Borrowings	28	16,000	–	–	–
Deferred tax liabilities	29	34,806	31,567	–	–
		50,806	31,567	–	–
TOTAL LIABILITIES		449,677	334,323	2,818	2,167
TOTAL EQUITY AND LIABILITIES		855,307	698,532	185,673	166,587

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

	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
Balance at 1 May 2013	71,438	86,235	24,507	3,332	178,697	364,209
Net profit for the financial year	–	–	–	–	20,930	20,930
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income for the financial year	–	–	–	–	20,930	20,930
Transfer to statutory reserves	–	–	3,109	–	(3,109)	–
Issuance of ordinary shares	21,500	–	–	–	–	21,500
Share issue expenses	–	(1,009)	–	–	–	(1,009)
Balance at 30 April 2014	92,938	85,226	27,616	3,332	196,518	405,630
Balance at 1 May 2012	71,438	86,235	21,678	3,332	165,200	347,883
Net profit for the financial year	–	–	–	–	18,282	18,282
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income for the financial year	–	–	–	–	18,282	18,282
Transfer to statutory reserves	–	–	2,829	–	(2,829)	–
Payment of dividends (Note 30)	–	–	–	–	(1,956)	(1,956)
Balance at 30 April 2013	71,438	86,235	24,507	3,332	178,697	364,209

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

	Group	
	2014 RMB'000	2014 RMB'000
Cash Flows 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 expenses	20,509	18,074
Interest income	(79)	(124)
Operating cash flow before working capital changes	48,586	45,396
Inventories	363	557
Contract work-in-progress	(138,037)	(19,993)
Trade receivables	29,276	(109,374)
Other receivables	(9,628)	15,942
Trade payables	10,044	18,585
Other payables, accruals and provisions	1,484	3,128
Cash used in operations	(57,912)	(45,759)
Income tax paid	(8)	(18)
Finance expenses	(24,154)	(18,074)
Net cash used in operating activities	(82,074)	(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
Repayment from related parties, net	545	3,763
Net cash (used in)/generated from investing activities	(4,304)	1,010
Cash Flows from Financing Activities		
Proceeds from bank borrowings	391,760	277,995
Repayment of bank borrowings	(292,478)	(167,822)
Loans from third parties	4,074	1,552
Repayments to third parties	(2,510)	(26,244)
Repayment to directors	(259)	(1,993)
Proceeds from share issue	21,500	–
Share issue expenses	(1,009)	–
Dividends paid	–	(1,956)
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	36,781	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 financial year (Note 21)	62,336	25,555

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 General Information

Ace Achieve Infocom Limited (the "Company") was incorporated in Bermuda on 11 June 2004 as an exempt company with limited liability under the Companies Act 1981 of Bermuda. The address of the Company's registered office is at Clarendon House, 2 Church Street Hamilton HM 11, Bermuda. The principal place of business is at No. 11 Anxiangbeili, 11th floor, Venture Plaza Tower B, Chaoyang District, Beijing 100101, the People's Republic of China ("PRC"). The shares of the Company are listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are described in Note 13.

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Company on the date of the Statement by the Directors.

2 Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Chinese Renminbi ("RMB") and the financial information have been rounded to the nearest thousands (RMB'000) as indicated.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the balance sheet date, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgement or complexity, are disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

Adoption of New/Revised FRS

For the financial year ended 30 April 2014, the Group has adopted the following new/revised FRS that are mandatory for application in the said year and which are relevant to the Group as follows:

Amendments to FRS 107 *Disclosure of Offsetting Financial Assets and Financial Liabilities*

Amendments to FRS 107 contain new disclosure requirements for financial assets and financial liabilities that are offset in the balance sheet or are subject to master netting arrangements or similar agreements. Therefore, an entity needs to identify all financial assets and financial liabilities that fall within the two categories mentioned. The amendments explain that their scope includes financial assets and financial liabilities subject to similar agreements that cover similar financial instruments and transactions. The adoption of this standard did not have a significant impact on the financial position or financial performance of the Group when implemented. The Group provides these disclosures in Note 34 (g).

FRS 113 *Fair Value Measurement*

FRS 113 provides guidance on how to measure fair value for both financial and non-financial items and introduces significantly enhanced disclosures about fair values. When measuring fair value, an entity is required to use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. It requires disclosures of a fair value hierarchy for all assets and liabilities measured at fair value. The adoption of this standard did not have a significant impact on the financial position or financial performance of the Group when implemented. The Group provides these disclosures in Note 35.

Early adoption of Amendments to FRS 32

Amendments to FRS 32 *Offsetting Financial Assets and Financial Liabilities*

Amendments to FRS 32 clarify that an entity must currently have a legally enforceable right of set-off if that right of set-off is not contingent on a future event and legally enforceable in all of the following circumstances: (i) the normal course of business; (ii) the event of default; and (iii) the event of insolvency or bankruptcy of the entity and all of the counterparties. The Group has early adopted this standard in connection with the adoption of Amendments to FRS 107. The Group provides these disclosures in Note 34 (g).

New/Revised FRS Issued But Not Yet Effective

At the date of authorisation of these financial statements, the relevant new/revised FRS to the Group that have been issued but are not yet effective are as follows:

FRS 27 (Revised)	*Separate Financial Statements*
Amendments to FRS 36	*Recoverable Amount Disclosure for Non-Financial Assets*
FRS 110	*Consolidated Financial Statements*
FRS 112	*Disclosure of Interest in Other Entities*

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

New/Revised FRS Issued But Not Yet Effective (cont'd)

Improvements to FRSs January 2014

Improvements to FRS 24 *Related Party Disclosures*
Improvements to FRS 108 *Operating Segments*

FRS 27 (Revised) *Separate Financial Statements*

FRS 27 (Revised) will now solely address separate financial statements, the requirements for which are substantially unchanged. It is effective for annual periods beginning on or after 1 May 2014 and will have no impact on the financial position or financial performance of the Group when implemented.

Amendments to FRS 36 *Recoverable Amount Disclosure for Non-Financial Assets*

Amendments to FRS 36 restricts the requirement to disclose the recoverable amount of an asset or Cash Generating Unit ("CGU") to periods in which an impairment loss has been recognised or reversed. The amendments also expand and clarify the disclosure requirements applicable when an asset or CGU's recoverable amount has been determined on the basis of fair value less costs of disposal. It is effective for annual periods beginning on or after 1 May 2014. As this is a disclosure standard, it will not have any impact on the financial position or financial performance of the Group when implemented.

FRS 110 *Consolidated Financial Statements*

FRS 110 supersedes FRS 27 *Consolidated and Separate Financial Statements and INT FRS 12 Consolidation - Special Purpose Entities*, and is effective for annual periods beginning on or after 1 May 2014. It changes the definition of control and applies it to all investees to determine the scope of consolidation. It requires an investor to reassess the decision whether to consolidate an investee when events indicate that there may be a change to one of the three elements of control, i.e. power, variable returns and the ability to use power to affect returns. The Group is of the view that this standard will not have any impact on the financial position or financial performance of the Group when implemented.

FRS 112 *Disclosure of Interests in Other Entities*

FRS 112 combines the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities within a comprehensive disclosure standard. It requires an entity to provide summarised financial information about the assets, liabilities, profit or loss and cash flows of each subsidiary that has non-controlling interests that are material to the reporting entity. The changes are effective for accounting period beginning on or after 1 May 2014. As this is a disclosure standard, it will not have any impact on the financial position or financial performance of the Group when implemented.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

2 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

New/Revised FRS Issued But Not Yet Effective (cont'd)

Improvements to FRS 24 *Related Party Disclosures*

The amendment clarifies that an entity providing key management personnel services to the reporting entity or the parent of the reporting entity is a related party of the reporting entity. In addition, an entity that uses a management entity is required to disclose the expense incurred for management services. The amendment is effective for annual periods beginning on or after 1 July 2014. As this is a disclosure standard, it will not have any impact on the financial position or financial performance of the Group when implemented.

Improvements to FRS 108 *Operating Segments*

The amendment requires an entity to disclose the judgement made by management in applying the aggregation criteria to operating segments and clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. The amendment is effective for annual periods beginning on or after 1 July 2014. As this is a disclosure standard, it will not have any impact on the financial position or financial performance of the Group when implemented.

(b) Currency Translation

Functional and Presentation Currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements of the Group and the balance sheet of the Company are presented in RMB, which is the functional currency of the Company.

Transactions and Balances

Transactions in a currency other than the functional currency ("foreign currency") are recognised at the rates of exchange prevailing at the dates of transactions. At the balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss, unless they arise from borrowings in foreign currencies, and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations.

Those currency translation differences are recognised in the foreign currency translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

2 Significant Accounting Policies (cont'd)

(b) Currency Translation (cont'd)

Transactions and Balances (cont'd)

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Translation of Group Entities' Financial Statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rate at the balance sheet date;

(ii) income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the date of transactions; and

(iii) all resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve within equity. These currency translation differences are reclassified to profit or loss on disposal or partial disposal (i.e. loss of control) of the entity giving rise to such reserve.

(c) Subsidiaries

Consolidation

Subsidiaries are entities over which the Group has power to govern the financial and operating policies, so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, balances, transactions and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

2 Significant Accounting Policies (cont'd)

(c) Subsidiaries (cont'd)

Acquisition of a Business

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

Disposals of Subsidiaries or Business

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

(d) Investment in Subsidiaries

Investment in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investment in subsidiaries, the differences between the net disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

2 Significant Accounting Policies (cont'd)

(e) Plant and Equipment

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of plant and equipment if the obligation for the dismantlement, removal and restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure related to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the subsequent expenditure will flow to the Group and the cost of the subsequent expenditure can be measured reliably. Other subsequent expenditure that does not meet these requirements is recognised as repair and maintenance expenses in profit or loss during the period in which it is incurred.

Depreciation is calculated on the straight-line basis to write-off the cost (net of residual value) of the plant and equipment over their estimated useful lives. The estimated useful lives and residual values are as follows:

	Useful lives (Years)	Estimated residual value as a percentage of cost
Telecommunication integration equipment	3	5%
Motor vehicles	4	5%
Furniture and fittings	3	5%

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The residual value, useful life and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date.

On disposal or retirement of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amounts is recognised in profit or loss.

(f) Intangible Assets

Expenditure on research activities are expensed in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if and only if, when the Group can demonstrate the following: the technical feasibility of completing the intangible asset so that it will be available for use or sale; the intention to complete and its ability to use or sell it; how the intangible asset will generate future economic benefits; the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and the ability to measure reliably the expenditure attributable to the intangible asset during the development.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

2 Significant Accounting Policies (cont'd)

(f) Intangible Assets (cont'd)

Development costs are amortised from the date of commercial production of the product or from the date the process is put into use. The development costs are amortised over the estimated useful life of 5 years on a straight-line basis.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

(g) Impairment of Non-Financial Assets

Non-financial assets are reviewed for impairment whenever there is any objective evidence or indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount in which case the reversal of the impairment loss is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to profit or loss.

2 Significant Accounting Policies (cont'd)

(h) Financial Assets

Classification

The Group classifies its financial assets in the following category: loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every financial reporting date.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than twelve months after the end of the financial reporting date which are presented as non-current assets. Loans and receivables are presented as "trade receivables", "other receivables", "due from related parties", "due from subsidiaries" and "cash and bank balances" on the balance sheets. Trade receivables included billed and unbilled receivables. Unbilled trade receivables refer to revenue recognised but have not yet been billed to customers.

Recognition and De-recognition

Regular way purchases and sales of financial assets are recognised on the trade-date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the net sales proceeds is recognised in profit or loss.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

Initial Measurement and Subsequent Measurement

Loans and receivables are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method.

Impairment

The Group assesses at the financial reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered indicators that the receivable is impaired.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

2 Significant Accounting Policies (cont'd)

(h) Financial Assets (cont'd)

Impairment (cont'd)

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in profit or loss.

The impairment allowance account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(i) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, bank balances and deposits with financial institutions, which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents are shown net of restricted bank deposits.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. The net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and costs necessary to make the sale. Allowance is made for any slow moving or obsolete inventories.

(k) Contract Work-in-Progress – Telecommunication and Solution Contracts

Where the outcome of a telecommunication application and solution contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

2 Significant Accounting Policies (cont'd)

(k) Contract Work-in-Progress – Telecommunication and Solution Contracts (cont'd)

Where the outcome of an telecommunication application and solution contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, expected loss is recognised as an expense immediately.

(l) Financial Liabilities

Financial liabilities include borrowings, trade payables, other payables and due to directors. They are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

All financial liabilities, except for financial liabilities at fair value through profit or loss, are recognised initially at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, they are subsequently measured at amortised costs using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process. For financial liabilities at fair value through profit or loss, they are subsequently measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

(m) Trade and Other Payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

(n) Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the balance sheet date.

Borrowings are initially recognised at fair value, net of transaction costs and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are ready for intended use. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

Other borrowing costs are recognised on a time-proportion basis in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

2 Significant Accounting Policies (cont'd)

(o) Provisions

Provisions are recognised when the Group has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed regularly and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of provision is the present value of the expenditures expected to be required to settle the obligation.

Provision for warranty is recognised in respect of the estimated expenses to be incurred for the provision of after sales services to customers on the products sold, based on experience of the level of service required.

(p) Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of value added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured and when the specific criteria for each of the Group's activities are met.

Revenue from telecommunication application and solution contracts which include the design and development of a total solution and supply of corresponding equipment is recognised in accordance with the Group's accounting policy on contract work-in-progress (see Note (2(k)).

Revenue from the sale of equipment is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customer, which generally coincides with the time when the goods are delivered to the customer and title has been passed.

Revenue from rendering of services that is short-term in nature is recognised when the services are completed.

Interest income is recognised on a time proportion basis, using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

(q) Operating Leases

Leases of offices where substantially the risks and rewards of ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2 Significant Accounting Policies (cont'd)

(r) Employees' Benefits

The Group is required to provide certain retirement plan contribution to their employees under the existing PRC regulations. Contributions are provided at rates stipulated by the PRC regulations and are managed by government agencies, which are responsible for administering these amounts for the employees. The Group has no future obligations once the contribution has been paid.

Obligations for contributions to defined contribution retirement plans are recognised as an expense in profit or loss as and when they are incurred.

(s) Government Grants

Grants from the government are recognised as a receivable at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

(t) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax are recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax liabilities are recognised on temporary differences arising on investment in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

2 Significant Accounting Policies (cont'd)

(t) Income Tax (cont'd)

Deferred income tax assets and liabilities are measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss for the financial period, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred taxes arising from a business combination is adjusted against goodwill on acquisition.

(u) Dividends to Company's Shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payments.

(v) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

(w) Statutory Reserves

Subsidiaries which are incorporated in the PRC are required to appropriate 10% of the profit arrived at in accordance with PRC regulations for each financial year to statutory reserves. The appropriation to statutory reserves, after offsetting against any accumulated losses, must be made before the distribution of dividends to shareholders. The appropriation is required until the statutory reserves reach 50% of the registered share capital. The statutory reserves are not distributable in the form of cash dividends.

(x) Segment Reporting

A business segment is a distinguishable component of the Group engaged in providing products that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group engaged in providing products within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

3 Critical Accounting Estimates, Assumptions and Judgements

Estimates, assumptions and judgements, concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimated Useful Lives of Intangible Assets

Intangible assets are amortised on a straight-line basis over their estimated useful lives. Management estimates the useful lives of the intangible assets to be 5 years. As at 30 April 2014, the carrying amount of the intangible assets was RMB 9,493,000 (2013: RMB 9,121,000) (Note 14).

The Group assesses annually the useful lives of the intangible assets and if expectations differ from the original estimates due to the changes in the economic environment and the business outlook of the assets' economic benefits to be consumed by the Group, such differences will impact the amortisation changes in the period in which such estimates are changed.

If the useful lives of the intangible assets increase/decrease by 20% from management's estimates, the Group's profit before income tax will increase/decrease by RMB 562,000 and RMB 841,000 respectively (2013: RMB 975,000 and RMB 1,462,000).

(ii) Provision for Warranty

The Group recognised a provision for warranty in respect of the estimated expenses to be incurred for the provision of after sales services to customers on the products sold, based on experience of the level of service required and industry averages. In determining the amount of the provision, assumptions and estimates were made based on management's best estimate of the future outflow of economic benefits that will be required under the Group's obligation for the warranties.

As at 30 April 2014, the carrying amount of the provision for warranty was RMB 4,346,000 (2013: RMB 3,157,000) (Note 27). If there is a change in management's estimates, and the provision for warranty increases/decreases by 20%, the Group's profit before income tax will decrease/increase by approximately RMB 678,000 (2013: RMB 630,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

3 Critical Accounting Estimates, Assumptions and Judgements (cont'd)

(b) Critical Judgements made in Applying Accounting Policies

In the process of applying the Group's accounting policies, the applications of judgements that are expected to have a significant effect on the amounts recognised in the financial statements are discussed below.

(i) Impairment of Receivables

Management reviews its receivables for objective evidence of impairment at least annually. To determine whether there is objective evidence of impairment, the Group considers factors such as significant financial difficulties of the debtor, the probability that the debtor will enter into bankruptcy, and default or significant delay in payments. Management makes judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with an adverse effect in the technological, market, economic, or legal environment in which the debtor operates in. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

Trade Receivables

As disclosed in Notes 18 and 34(a), trade receivables comprise billed trade receivables of RMB 73,270,000 (2013: RMB 83,917,000) and unbilled trade receivables of RMB 436,435,000 (2013: RMB 455,064,000).

These unbilled trade receivables represent revenue that has been recognised but not yet billed to customers due to the nature of services rendered to various entities of these customers which are large telecommunication companies in the People's Republic of China. Approval and instructions from such customers are necessary before billings are made.

In considering whether the unbilled trade receivables are recoverable, management has considered the credit terms and age analysis of the unbilled trade receivables as disclosed in Note 34(a) and made judgements based on their prior experiences and the current economic environment. Management is also of the view that it is an industry norm to have a high proportion of unbilled trade receivables for such services rendered.

Management is of the view that these unbilled trade receivables remain billable and collectible from the relevant customers, which are mainly large telecommunications companies in the People's Republic of China, and no further allowance for impairment loss is required.

The Group has charged impairment losses on trade receivables of RMB 3,895,000 (2013: RMB 8,456,000) to profit or loss for the financial year ended 30 April 2014. As at 30 April 2014, the carrying amount of trade receivables was RMB 509,705,000 (2013: RMB 538,981,000) (Note 18).

3 Critical Accounting Estimates, Assumptions and Judgements (cont'd)

(b) Critical Judgements made in Applying Accounting Policies (cont'd)

(i) Impairment of Receivables (cont'd)

Other Receivables

Other receivables which are neither past due nor impaired, are due from companies/parties with a good collection track record with the Group. The Group has charged impairment losses on other receivables of Nil (2013: RMB 5,000) to profit or loss for the financial year ended 30 April 2014. Based on management's assessment, no further allowance impairment loss is required. As at 30 April 2014, the carrying amount of other receivables was RMB 70,478,000 (2013: RMB 57,205,000) (Note 19).

Due from Subsidiaries

The amounts due from subsidiaries are repayable on demand and management has considered the relevant factors whether there is any objective evidence of impairment. Based on management's assessment, no allowance for impairment loss is required for the amounts due from subsidiaries. As at 30 April 2014, the carrying amount of amounts due from subsidiaries was RMB 169,889,000 (2013: RMB 150,758,000) (Note 15).

(ii) Contract Work-in-Progress

Management reviews its contract work-in-progress and is of the view that the amount is recoverable and no write-down is necessary. In determining the recoverability of the contract work-in-progress, management have considered the stage of completion, the extent of the contract costs incurred, the total contract revenue and contract costs. In making this judgement, management has relied on past experiences. As at 30 April 2014, the carrying amount of the contract work-in-progress was RMB 190,304,000 (2013: RMB 52,267,000) (Note 17).

(iii) Investment in Subsidiaries

Investment in subsidiaries is tested for impairment whenever there is an indication that such investment may be impaired. Based on management's assessment, no allowance impairment loss is required for the investment in subsidiaries. As at 30 April 2014, the carrying amount of investment in subsidiaries was RMB 15,646,000 (2013: RMB 15,646,000) (Note 13).

(iv) Income Taxes

The Group has exposure to income taxes where it operates. Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 30 April 2014, the carrying amount of the Group's deferred tax liabilities was RMB 34,806,000 (2013: RMB 31,567,000) (Note 29).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

4 Revenue

	Group	
	2014	2014
	RMB'000	RMB'000
Telecommunication application and solution contracts	224,717	202,534
Sale of equipment	13,051	9,589
Rendering of services	54	1,573
	237,822	213,696

5 Other Operating Income

	Group	
	2014	2014
	RMB'000	RMB'000
Government incentives received	3,123	153
Interest income	79	124
Others	140	55
	3,342	332

6 Other Operating Expenses

	Group	
	2014	2014
	RMB'000	RMB'000
Allowance for impairment of trade receivables	3,895	8,456
Allowance for impairment of other receivables	–	5
Write off of rental deposits	–	780
Foreign exchange loss	–	98
	3,895	9,339

7 Finance Expenses

	Group	
	2014	2014
	RMB'000	RMB'000
Bank and guarantee charges	3,529	2,012
Interest expense on bank borrowings	16,980	16,062
	20,509	18,074

(Amounts in thousands of Chinese Renminbi ("RMB"))

8 Profit Before Income Tax

	Group	
	2014	2014
	RMB'000	RMB'000
This is arrived at after charging the following items:		
Cost of inventories (recognised as cost of sales)	162,090	130,617
Amortisation of intangible assets	3,580	5,418
Provision for warranty	1,189	1,064
Operating lease expenses	1,789	1,803
Fees on audit services payable to		
- auditors of the Company	725	725
- other auditors	278	155
Directors' fees		
- current year	350	350
- prior year under provision	–	50
Depreciation of plant and equipment	399	396

No non-audit fees were paid to the external auditors for the financial years ended 30 April 2014 and 30 April 2013.

9 Staff Costs (including directors' remuneration)

	Group	
	2014	2014
	RMB'000	RMB'000
Salaries and related costs	16,116	15,561
Contribution to defined contribution plans	2,824	3,385
	18,940	18,946
Charged to/Capitalised in:		
- Profit or loss	14,988	16,265
- Intangible assets	3,952	2,681
	18,940	18,946

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

10 Income Tax Expense

	Group	
	2014	2014
	RMB'000	RMB'000
Income tax		
- Current year	8	18
- Prior year over provision	–	(4,620)
	8	(4,602)
Deferred tax (Note 29)		
- Current year	3,239	3,332
- Prior year under provision	–	4,620
	3,239	7,952
Total income tax expense	3,247	3,350

A reconciliation of income tax expense calculated at the applicable corporate tax rate in the PRC is as follows:

	Group	
	2014	2014
	RMB'000	RMB'000
Profit before income tax	24,177	21,632
Tax calculated at PRC applicable tax rate of 15% (2013: 15%)	3,627	3,245
Tax effect of expenses that are not deductible in determining taxable profit	121	357
Tax effect of non-taxable income	(501)	(252)
	3,247	3,350

Under the current Bermuda law, the Company is not required to pay taxes in Bermuda on either income or capital gains. The Company has received an undertaking from the Bermuda government that in the event of income or capital gains being imposed, the Company will be exempted from such taxes until year 2016.

The Company's subsidiary, Success Highway Global Limited, which is incorporated in the British Virgin Islands ("BVI"), is not subject to any income tax.

Aceway Telecom Technology Co., Ltd has been granted a certificate of high technology enterprise by the local tax authority and a concessionary tax rate of 15% applies from 14 September 2011 for a period of 3 years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014

(Amounts in thousands of Chinese Renminbi ("RMB"))

10 Income Tax Expense (cont'd)

As at 30 April 2014, deferred income tax liabilities of approximately RMB 20,324,100 (2013: RMB 18,555,100) have not been recognised for the withholding and other taxes that will be payable on the earnings of an overseas subsidiary when remitted as dividends to the Company. These unremitted earnings amounted to RMB 203,241,000 (2013: RMB 185,551,000) at the end of the financial reporting date and the related deferred tax liabilities have not been recognised in the financial statements as the Group is able to control the timing of the remittance of the earnings.

11 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year as follows:

	Group	
	2014	**2013**
Net profit attributable to equity holders of the Company (RMB'000)	20,930	18,282
Weighted average number of ordinary shares outstanding during the year ('000)	703,781	652,000
Basic earnings per share (RMB, cents per share)	2.97	2.80

The weighted average number of ordinary shares outstanding has been adjusted as a result of the issuance of new shares of 100,000,000 during the financial year ended 30 April 2014. Accordingly, the average number of ordinary shares outstanding is weighted by the number of days outstanding in the calculation of the denominator. No adjustment is made to the net profit.

The diluted earnings per share is the same as the basic earnings per share for the financial years ended 30 April 2014 and 30 April 2013 as the Group did not have any dilutive potential ordinary shares outstanding as at 30 April 2014 and 30 April 2013.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

12 Plant and Equipment

	Tele-communication integration equipment	Motor vehicles	Furniture and fittings	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Group				
2014				
Cost				
As at 1 May 2013	5,678	1,991	1,795	9,464
Additions	–	770	206	976
As at 30 April 2014	5,678	2,761	2,001	10,440
Accumulated depreciation				
As at 1 May 2013	5,383	1,684	1,323	8,390
Charge for the year	11	128	260	399
As at 30 April 2014	5,394	1,812	1,583	8,789
Net book value				
As at 30 April 2014	284	949	418	1,651
2013				
Cost				
As at 1 May 2012	5,677	1,991	1,600	9,268
Additions	1	–	195	196
As at 30 April 2013	5,678	1,991	1,795	9,464
Accumulated depreciation				
As at 1 May 2012	5,361	1,559	1,074	7,994
Charge for the year	22	125	249	396
As at 30 April 2013	5,383	1,684	1,323	8,390
Net book value				
As at 30 April 2013	295	307	472	1,074

(Amounts in thousands of Chinese Renminbi ("RMB"))

13 Investment in Subsidiaries

	Company 2014 RMB'000	Company 2013 RMB'000
Unquoted equity shares, at cost	415	415
Discount implicit in the interest free loan granted to a subsidiary (Note 15)	15,231	15,231
	15,646	15,646

Name	Principal activities	Country of incorporation and place of business	Effective equity interest held by the Group 2014 %	Effective equity interest held by the Group 2013 %	Cost of investment by the Company 2014 RMB'000	Cost of investment by the Company 2013 RMB'000
Held by the Company						
Success Highway Global Limited	Investment holding	British Virgin Islands	100	100	415	415
Held by the Subsidiary						
Aceway Telecom Technology Co., Ltd	Providing telecommunication services and products	PRC	100	100	–	–
					415	415

All the subsidiaries are audited by Moore Stephens LLP, Singapore, for the purpose of the consolidated financial statements of the Company and its subsidiaries for the financial years ended 30 April 2014 and 30 April 2013.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

14 Intangible Assets

	Telecom application solutions	Operation & business support solutions	Broadband data solutions	Wireless coverage solutions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group					
2014					
Cost					
As at 1 May 2013	17,450	9,550	4,237	12,241	43,478
Additions	1,549	–	–	2,403	3,952
As at 30 April 2014	18,999	9,550	4,237	14,644	47,430
Accumulated amortisation					
As at 1 May 2013	12,553	7,536	3,255	11,013	34,357
Amortisation for the year	1,503	742	393	942	3,580
As at 30 April 2014	14,056	8,278	3,648	11,955	37,937
Net book value					
As at 30 April 2014	4,943	1,272	589	2,689	9,493
2013					
Cost					
As at 1 May 2012	14,946	9,550	4,237	12,064	40,797
Additions	2,504	–	–	177	2,681
As at 30 April 2013	17,450	9,550	4,237	12,241	43,478
Accumulated amortisation					
As at 1 May 2012	10,727	6,464	2,815	8,933	28,939
Amortisation for the year	1,826	1,072	440	2,080	5,418
As at 30 April 2013	12,553	7,536	3,255	11,013	34,357
Net book value					
As at 30 April 2013	4,897	2,014	982	1,228	9,121

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

15 Due from Subsidiaries

	Company	
	2014	2013
	RMB'000	RMB'000
Loan		
Initial fair value of the loan	70,362	70,362
Less: Discount implicit in the interest-free loan to a subsidiary (Note 13)	(15,231)	(15,231)
Add: Notional interest		
- As at beginning of the year	15,231	11,889
- Credited to profit or loss	–	3,342
- As at end of the year	15,231	15,231
Carrying amount of the loan as at 30 April	70,362	70,362
Advances		
Advances to a subsidiary	99,527	80,396
Total current loan and advances	169,889	150,758

The loan is unsecured, interest-free and repayable on demand. At inception, the fair value of the loan was determined based on the discounted cash flow method, using a market interest rate of approximately 5% per annum. The difference between the fair value and the principal loan amount was recognised as deemed investment in the subsidiary which amounted to RMB 15,231,000 (Note 13). The loan was subsequently measured at amortised cost, using the effective interest method.

The advances to a subsidiary are non-trade in nature, interest-free, unsecured and repayable on demand.

16 Inventories

	Group	
	2014	2013
	RMB'000	RMB'000
Raw materials and consumables	–	363

17 Contract Work-in-Progress

	Group	
	2014	2013
	RMB'000	RMB'000
Contract work-in-progress, at cost	190,304	52,267

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

18 Trade Receivables

	Billed RMB'000	Unbilled RMB'000	Total RMB'000
Group			
2014			
Trade receivables			
- Third parties	86,211	458,457	544,668
Less: Allowance for impairment	(12,941)	(22,022)	(34,963)
	73,270	436,435	509,705
2013			
Trade receivables			
- Third parties	94,897	468,689	563,586
- Related party	1,961	4,502	6,463
	96,858	473,191	570,049
Less: Allowance for impairment	(12,941)	(18,127)	(31,068)
	83,917	455,064	538,981

Unbilled trade receivables refer to the revenue that has been recognised but not yet billed to customers.

The amount due from a related party was trade in nature, unsecured, interest-free and repayable based on normal credit terms.

Included in billed trade receivables are retention sum amounted to Nil (2013: RMB 2,042,000) as at 30 April 2014.

The Group through a subsidiary, have factored trade receivables with carrying amounts of RMB 249,034,000 (2013: RMB 192,617,000) to certain financial institutions in exchange for cash during the financial year ended 30 April 2014. These transactions have been accounted for as collateralised borrowings as the financial institutions have full recourse against the subsidiary in the event of default of the factored trade receivables (Note 28). Accordingly, the Group continues to recognise the full carrying amount of the trade receivables and has recognised the cash received as a secured borrowing (see Note 28). As at 30 April 2014, the carrying amounts of the factored trade receivables and the associated borrowings are RMB 249,034,000 (2013: RMB 192,617,000) and RMB 278,044,000 (2013: RMB 192,617,000) respectively.

The financial institutions have recourse only on those factored trade receivables. The fair values of the factored trade receivables and the associated liabilities are as follows:

	Group 2014 RMB'000	Group 2014 RMB'000
Transferred trade receivables - at fair value	249,034	192,617
Secured borrowings (Note 28) - at fair value	(278,044)	(192,617)
Net position	(29,010)	–

(Amounts in thousands of Chinese Renminbi ("RMB"))

19 Other Receivables

	Group	
	2014	2014
	RMB'000	RMB'000
Other receivables:		
- Third parties	1,786	5,609
Deposits	18,572	9,656
Loans/Advances to staff/sales representatives	17,201	12,376
Advances to suppliers	33,293	33,583
Interest receivables	3,645	–
	74,497	61,224
Less: Allowance for impairment	(4,019)	(4,019)
	70,478	57,205

As at 30 April 2014, a total amount of RMB 32,003,000 (2013: RMB 23,274,000) included in deposits and advances to suppliers are due from certain entities. In addition, during the current financial year ended 30 April 2014, the Group entered into sales and purchases transactions with one of the entity amounting to RMB 4,545,000 (2013: Nil) and RMB 22,740,000 (2013: 9,573,000) respectively. The shareholdings of these entities are held by certain directors of the Company in trust for third parties. Management is of the view that the Group does not have control or significant influence on these entities, and accordingly, the transactions and balances with these entities are not disclosed as related parties' transactions and balances in the financial statements.

The loans/advances to staff/sales representatives are non-trade in nature, unsecured, interest-free and repayable on demand.

As at 30 April 2014, the Company has other receivables due from third parties amounted to RMB 7,000 (2013: RMB 7,000).

20 Due from Related Parties

	Group		Company	
	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Due from related parties	6,171	6,716	–	83

The amounts due from related parties are non-trade in nature, unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

21 Cash and Bank Balances

	Group		Company	
	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Cash at bank and on hand	67,505	32,785	131	73
Short term deposits	–	20	–	20
Cash and bank balances	67,505	32,805	131	93

As at 30 April 2013, the Group and the Company has short term deposits of RMB 20,000 with a maturity period of 14 days at average rate of approximately 0.5% per annum.

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2014	2013
	RMB'000	RMB'000
Cash and bank balances	67,505	32,805
Less: Restricted cash and bank balances	(5,169)	(7,250)
Cash and cash equivalents	62,336	25,555

Restricted cash and bank balances are placed as securities to financial institutions for banking facilities granted to the Group (Note 28).

22 Share Capital and Share Premium

	Group and Company			
	2014	2014	2013	2013
	No. of ordinary shares of US$0.015 each	RMB'000	No. of ordinary shares of US$0.015 each	RMB'000
Authorised share capital				
As at beginning and end of the year	2,000,000,000	347,090	2,000,000,000	347,090
Issued and fully paid:				
As at beginning of the year	652,000,000	71,438	652,000,000	71,438
Issuance of shares	100,000,000	21,500	–	–
As at end of the year	752,000,000	92,938	652,000,000	71,438

(Amounts in thousands of Chinese Renminbi ("RMB"))

22 Share Capital and Share Premium (cont'd)

	Group and Company	
	2014	2013
	RMB'000	RMB'000
Share Premium		
As at beginning of the year	86,235	86,235
Share issue expenses	(1,009)	–
As at end of the year	85,226	86,235

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share at meetings of the Company. Ordinary shares have a par value of US$0.015 per share.

In October 2013, the Company issued 100,000,000 ordinary shares for a total consideration of RMB 21,500,000. The shares issued are rank *pari passu* in all respects with the previously issued shares.

23 Reserves

	Group	
	2014	2013
	RMB'000	RMB'000
Statutory reserves:		
- Statutory reserve fund	18,960	16,887
- Staff welfare reserve fund	8,656	7,620
Capital reserve	3,332	3,332
Retained earnings	196,518	178,697
	227,466	206,536

Movements in reserves for the Group are set out in the consolidated statement of changes in equity.

Reserves of the Company relates to retained earnings.

Statutory Reserves

In accordance with the PRC's Company Law, the subsidiary incorporated in PRC is required to transfer 10% of their profit after income tax to statutory reserves (Note 2(w)).

The PRC subsidiary has appropriated a portion (5%) of its profit after income tax to the staff welfare fund on a voluntary basis as allowed by its respective Articles of Association. The staff welfare fund would be used for the collective welfare of the employees.

Capital Reserve

Capital reserve relates to certain government grants received in prior years. Pursuant to the terms and conditions of the grants, these amounts have been designated for the purpose of development of technological know-how and are non-distributable as dividends. Accordingly, these grants were then transferred from retained earnings to capital reserve.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

24 Trade Payables

	Group	
	2014	2013
	RMB'000	RMB'000
Third parties	69,193	59,149

25 Other Payables and Accruals

	Group		Company	
	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Other payables	8,634	6,745	–	–
Advances from customers	6,643	8,229	–	–
Accrued expenses	5,304	3,758	2,701	1,700
Value added tax payable and other tax payable	1,378	1,368	–	–
	21,959	20,100	2,701	1,700

As at 30 April 2014, an amount of RMB 560,000 (2013: RMB 560,000) included in other payables is due to an entity. The shareholding of this entity is held by a director of the Company in trust for a third party. Management is of the view that the Group does not have control or significant influence on this entity, and accordingly, the transactions and balances with this entity is not disclosed as related party's transactions and balances in the financial statements.

Other payables include loans received from third parties amounting to RMB 8,045,000 (2013: RMB 6,481,000) which are non-trade in nature, unsecured, interest-free and repayable on demand.

26 Due to Directors

	Group		Company	
	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Due to directors	329	588	117	467

The amounts due to directors are non-trade in nature, unsecured, interest-free and repayable on demand.

(Amounts in thousands of Chinese Renminbi ("RMB"))

27 Provision for Warranty

	Group	
	2014	2013
	RMB'000	RMB'000
As at beginning of the year	3,157	2,093
Provision made during the year	1,189	1,064
As at end of the year	4,346	3,157

The warranty provision represents management's best estimate of the Group's liability for 2-3 years (2013: 2-3 years) warranty granted on products and solutions projects. The amount of the provision is based on past experiences and industry averages.

28 Borrowings

	Group	
	2014	2013
	RMB'000	RMB'000
Borrowings:		
- Secured	319,044	213,417
- Unsecured	–	6,345
	319,044	219,762
Classified as:		
Non-current	16,000	–
Current	303,044	219,762
	319,044	219,762
Average effective rates of interest at the balance sheet date:		
- bank borrowings	6.60%	7.01%

The secured bank borrowings drawn down by a subsidiary company are secured over certain trade receivables (Note 18) and guaranteed by several directors, directors' properties, and/or third party financial institutions.

The unsecured bank borrowings were guaranteed by several directors, directors' properties and/or third party financial institutions.

The non-current bank borrowings as at 30 April 2014 are repayable by July 2016.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

29 Deferred Tax Liabilities

	Group	
	2014	2013
	RMB'000	RMB'000
Unbilled Trade Receivables		
Deferred tax liabilities to be settled after one year:		
As at beginning of the year	31,567	23,615
Charged to profit or loss (Note 10)	3,239	7,952
As at end of the year	34,806	31,567

The Group recognised deferred tax liabilities as a result of the taxable temporary differences arising from the accounting and taxable profits mainly arising from the unbilled trade receivables. These revenues earned will be taxable only when billed. The deferred tax liabilities are computed based on the applicable concessionary tax rate of 15% in the PRC.

30 Dividends

	Group	
	2014	2013
	RMB'000	RMB'000
Ordinary dividends paid:		
Final dividend paid for financial year ended 30 April 2012 of RMB 0.003 cents per ordinary share	–	1,956

At the forthcoming Annual General Meeting on 28 August 2014, a final exempt dividend of RMB 0.002 cents per share amounting to a total of RMB 1,504,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 30 April 2015.

31 Related Party Transactions

A related party is a person or entity that is related to the entity that is preparing its financial statements ("reporting entity").

Parties are considered to be related if (a) a person or a close member of that person's family is related to a reporting entity, if that person (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to a reporting entity if (i) the entity and the reporting entity are members of the same group; (ii) one entity is an associate or joint venture of the other entity; (iii) both entities are joint ventures of the same third party; (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity; (iv) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity; (v) the entity is controlled or jointly controlled by a person identified in (a); (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity.

(Amounts in thousands of Chinese Renminbi ("RMB"))

31 Related Party Transactions (cont'd)

Some of the Group's transactions and arrangements are between related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. In addition to the related parties' information disclosed elsewhere in the financial statements, the following transactions took place during the financial year between the Group and related parties at terms agreed between the parties:

	Group	
	2014	2013
	RMB'000	RMB'000
With a company in which a director has an interest		
Expenses paid on behalf by related parties	809	1,853
Expenses paid on behalf of related parties	10,702	3,221

Remuneration of Key Management Personnel

The remuneration of the directors of the Company and senior personnels, who are the key management personnel of the Group, are as follows:

	Group	
	2014	2013
	RMB'000	RMB'000
Salaries and related costs	2,250	2,042
Contribution to defined contribution plans	328	343
	2,578	2,385
Comprised amounts paid/payable to:		
Directors of the Company*	755	897
Other key management personnel	1,823	1,488
	2,578	2,385

* Include directors' fee of RMB 350,000 (2013: RMB 400,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014

(Amounts in thousands of Chinese Renminbi ("RMB"))

32 Operating Lease Commitments

The future minimum lease payable under non-cancellable operating leases in respect of the office premises with varying terms and renewal rights contracted for at the balance sheet date but not recognised as payables in the financial statements. There are no contingent rent and escalation clauses included in the contracts. The commitments are as follows:

	Group	
	2014	2013
	RMB'000	RMB'000
Payable:		
- Within 1 year	665	1,627
- Between 1 to 5 years	–	192
	665	1,819

33 Segment Information

Management has determined the operating segments based on the reports reviewed by the Executive Committee that are used to make strategic decisions. 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.

Telecom application solutions segment's results pertain to the provision of traditional value added services such as multimedia mobile news, short messaging service ("SMS") and multimedia messaging service ("MMS") management platform and ringtone/music management platform.

Wireless coverage solutions segment's results pertain to the provision of telecom network infrastructure solutions that aim to establish maximum network coverage within targeted area.

Operation and business support solutions segment's results pertain to the provision of back-end business support systems such as e-billing as well as infrastructure maintenance and upgrading works such as cloud-based server upgrade.

Broadband data solutions segment's results pertain to the development of customised mobile application such as 3D store marketing application.

Proprietory information security platform segment's results pertain to the customisation of IT-based productivity solutions for Small-Medium Enterprises ("SMEs") in PRC such as sales management platform.

Revenue of approximately RMB 197,527,000 (2013: RMB 128,470,000) are derived from 5 (2013: 5) external customers located in the PRC. Assets of the Group are mainly located in the PRC. The Group's reportable business segments are as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

33 Segment Information (cont'd)

Business Segments

	Telecom application solutions	Wireless coverage solutions	Operation and business support solutions	Broadband data solutions	Proprietary information security platform	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
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 for the financial year						20,930
Other segment items						
Intangible assets						
- Amortisation	1,503	742	393	942	–	3,580
- Capital expenditure	1,549	–	–	2,403	–	3,952
Property, plant and equipment (unallocated)						
- Depreciation						399
- Capital expenditure						976
Allowance for impairment of trade receivables	(1,040)	(112)	(1,147)	(1,596)	–	(3,895)
Assets and Liabilities						
Unallocated assets and total assets						855,307
Unallocated liabilities and total liabilities						449,677

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

33 Segment Information (cont'd)

	Telecom application solutions	Wireless coverage solutions	Operation and business support solutions	Broadband data solutions	Proprietary information security platform	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
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 for the financial year						18,282
Other segment items						
Intangible assets						
- Amortisation	1,826	2,080	1,072	440	–	5,418
- Capital expenditure	2,504	177	–	–	–	2,681
Property, plant and equipment (unallocated)						
- Depreciation						396
- Capital expenditure						196
Allowance for impairment of trade receivables	(268)	(2,565)	(1,496)	(4,127)	–	(8,456)
Assets and Liabilities						
Unallocated assets and total assets						698,532
Unallocated liabilities and total liabilities						334,323

Unallocated Other Income and Expenses

There is no reasonable basis to allocate other operating income, selling and distribution expenses, administrative expenses, other operating expenses, finance expenses and income tax expense to the different segments, and accordingly, these items have been disclosed as unallocated for segment information.

Unallocated Assets and Liabilities

There is no reasonable basis to allocate assets and liabilities of the Group between the different segments, and accordingly, these items have been disclosed as unallocated for segment information.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

34 Financial Risk Management

The Group and the Company are exposed to financial risks, including the effects of credit risk, liquidity risk, interest rate risk and foreign currency risk arising from the normal course of the Group's and the Company's operations. The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group's trade receivables comprise 5 major debtors (2013: 5 major debtors) that represented 62% (2013: 49%) of total trade receivables as at balance sheet date.

The credit periods on revenue from telecommunication application and solution contracts and sales of software and equipment range from 3 to 6 months (2013: 3 to 6 months). No interest is imposed on overdue trade receivables.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

The Group's major classes of financial assets include cash and bank balances, trade receivables, other receivables and amounts due from related parties. No other financial assets carry a significant exposure to credit risk.

Financial assets that are neither past due nor impaired include cash and bank balances which are placed with reputable local financial institutions. Trade and other receivables that are neither past due nor impaired are substantially companies/parties with a good credit record with the Group. There is no other class of financial assets that is past due and/or impaired except for trade and other receivables. The amounts presented in the balance sheet are net of allowances for impairment of receivables, estimated by management based on prior experience and the current economic environment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

34 Financial Risk Management (cont'd)

(a) Credit Risk (cont'd)

The age analysis of trade receivables and other receivables are as follows:

Trade Receivables

	Group	
	2014	2013
	RMB'000	RMB'000
Billed trade receivables:		
Not past due and not impaired	14,905	28,217
Past due but not impaired		
- Past due 0 - 3 months	960	2,276
- Past due 3 - 6 months	1,915	3,840
- Past due 6 - 18 months	10,345	16,935
- Past due 18 - 30 months	13,068	3,245
- Past due over 30 months	32,077	29,404
	58,365	55,700
Billed trade receivables as at 30 April	73,270	83,917
Unbilled trade receivables:		
- Within 1 year	140,785	147,010
- 1 - 2 years	132,889	150,574
- 2 - 3 years	105,317	83,870
- 3 years and above	57,444	73,610
	295,650	308,054
Unbilled trade receivables as at 30 April	436,435	455,064
Total balances as at 30 April (Note 18)	509,705	538,981

The aging of the unbilled trade receivables is determined from the point in time when the revenues were recognised but they have not yet been billed.

Other Receivables

	Group	
	2014	2013
	RMB'000	RMB'000
Within 1 year	24,780	8,413
1 year and above	45,698	48,792
Total balance as at 30 April (Note 19)	70,478	57,205

The aging of the other receivables is determined from the point in time when the receivables were recognised.

(Amounts in thousands of Chinese Renminbi ("RMB"))

34 Financial Risk Management (cont'd)

(a) Credit Risk (cont'd)

The carrying amount of trade receivables and other receivables individually determined to be impaired and the movement in the related allowance for impairment loss on trade receivables and other receivables are as follows:

Trade Receivables

	Group	
	2014	2013
	RMB'000	RMB'000
Billed trade receivables:		
- Past due 3 - 6 months	–	41
- Past due 6 - 18 months	42	913
- Past due 18 - 30 months	912	749
- Past due over 30 months	11,987	11,238
Less: Allowance for impairment loss	(12,941)	(12,941)
	–	–
Unbilled trade receivables:		
- Within 1 year	–	182
- 1 - 2 years	182	99
- 2 - 3 years	1,246	453
- 3 years and above	20,594	17,393
Less: Allowance for impairment loss	(22,022)	(18,127)
	–	–

Allowance for impairment loss

	Group	
	2014	2013
	RMB'000	RMB'000
As at beginning of the year	31,068	22,612
Allowance for impairment during the year	3,895	8,456
As at end of the year (Note 18)	34,963	31,068

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

34 Financial Risk Management (cont'd)

(a) Credit Risk (cont'd)

Other Receivables

	Group	
	2014	2013
	RMB'000	RMB'000
Deposits	1,589	1,589
Loans/Advances to staff/sales representatives	2,430	2,430
Less: Allowance for impairment loss	(4,019)	(4,019)
	–	–

Allowance for impairment loss

	Group	
	2014	2013
	RMB'000	RMB'000
As at beginning of the year	4,019	4,014
Allowance for impairment during the year	–	5
As at end of the year (Note 19)	4,019	4,019

The Group has provided an allowance for impairment loss on trade receivables and other receivables based on estimated irrecoverable amounts, determined by reference to past default experiences.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

34 Financial Risk Management (cont'd)

(b) Liquidity Risk

Liquidity risk refers to the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. In the management of its liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The table below analyses the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted cash flows:

		Cash Flow		
	Carrying amount	Contractual cash flow	Within 1 year	1 to 5 years
	RMB'000	RMB'000	RMB'000	RMB'000
2014				
Group				
Trade payables	69,193	69,193	69,193	–
Other payables and accruals	13,938	13,938	13,938	–
Due to directors	329	329	329	–
Borrowings	319,044	330,089	313,347	16,742
	402,504	413,549	396,807	16,742
Company				
Other payables and accruals	2,701	2,701	2,701	–
Due to directors	117	117	117	–
	2,818	2,818	2,818	–
2013				
Group				
Trade payables	59,149	59,149	59,149	–
Other payables and accruals	10,503	10,503	10,503	–
Due to directors	588	588	588	–
Borrowings	219,762	223,406	223,406	–
	290,002	293,646	293,646	–
Company				
Other payables and accruals	1,700	1,700	1,700	–
Due to directors	467	467	467	–
	2,167	2,167	2,167	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

34 Financial Risk Management (cont'd)

(c) Interest Rate Risk

Cash flow interest rate risk refers to the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

As at 30 April 2014 and 30 April 2013, the Group's interest rate risk mainly arose from the Group's borrowings. The Group did not use derivative financial instruments to hedge its borrowings. The Group's exposure to interest rate risk is monitored on a regular basis.

The financial assets and liabilities of the Group and of the Company are non-interest bearing except for cash and bank balances and borrowings as set out in the table below:

	Within 1 year	1 to 5 years	Total
	RMB'000	RMB'000	RMB'000
2014			
Group			
Variable rate			
Borrowings	303,044	16,000	319,044
2013			
Group			
Fixed rate			
Cash and bank balances	20	–	20
Variable rate			
Borrowings	219,762	–	219,762
Company			
Fixed rate			
Cash and bank balances	20	–	20

Sensitivity Analysis

The Group's borrowings at variable rates on which effective hedges have not been entered into, are denominated mainly in RMB. If the RMB interest rates increase/decrease by 1% (2013: 1%) with all other variables including the income tax rate being held constant, the Group's profit for the year ended 30 April 2014 will be lower/higher by approximately RMB 2,712,000 (2013: RMB 1,868,000) as a result of higher/lower interest expense on these borrowings.

(Amounts in thousands of Chinese Renminbi ("RMB"))

34 Financial Risk Management (cont'd)

(d) Foreign Exchange Risk

The Group has transactional currency exposures arising from its ordinary course of business that are denominated in a currency other than the functional currency of the Group's entities, which is RMB. The foreign currencies in which these transactions are denominated are mainly United States Dollars ("USD") and Singapore Dollars ("SGD").

As at 30 April 2014 and 30 April 2013, the Group's and the Company's financial assets and financial liabilities are denominated in RMB and have no foreign currency risk exposure except for the followings:

	USD	SGD	Total
	RMB'000	RMB'000	RMB'000
Group			
2014			
Financial assets			
Cash and bank balances	582	106	688
Other receivables	–	7	7
	582	113	695
Financial liabilities			
Other payables and accruals	–	2,701	2,701
Other financial liabilities	–	117	117
	–	2,818	2,818
Net financial assets/(liabilities)	582	(2,705)	(2,123)
2013			
Financial assets			
Cash and bank balances	589	65	654
Other receivables	–	7	7
	589	72	661
Financial liabilities			
Other payables and accruals	–	1,700	1,700
Other financial liabilities	–	467	467
	–	2,167	2,167
Net financial assets/(liabilities)	589	(2,095)	(1,506)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014
(Amounts in thousands of Chinese Renminbi ("RMB"))

34 Financial Risk Management (cont'd)

(d) Foreign Exchange Risk (cont'd)

	USD	SGD	Total
	RMB'000	RMB'000	RMB'000
Company			
2014			
Financial assets			
Cash and bank balances	25	106	131
Other receivables	–	7	7
	25	113	138
Financial liabilities			
Other payables and accruals	–	2,701	2,701
Other financial liabilities	–	117	117
	–	2,818	2,818
Net financial assets/(liabilities)	25	(2,705)	(2,680)
2013			
Financial assets			
Cash and bank balances	28	65	93
Other receivables	–	7	7
	28	72	100
Financial liabilities			
Other payables and accruals	–	1,700	1,700
Other financial liabilities	–	467	467
	–	2,167	2,167
Net financial assets/(liabilities)	28	(2,095)	(2,067)

(Amounts in thousands of Chinese Renminbi ("RMB"))

34 Financial Risk Management (cont'd)

(d) Foreign Exchange Risk (cont'd)

Sensitivity Analysis

If the USD and SGD change against the RMB by 5% (2013: 5%) respectively with all other variables including the income tax rate being held constant, the effects arising from the net financial asset/liability position on net profit after tax and equity will increase/(decrease) as follows:

	2014 RMB'000	2013 RMB'000
Group		
USD against RMB		
- strengthened	25	25
- weakened	(25)	(25)
SGD against RMB		
- strengthened	(115)	(89)
- weakened	115	89
Company		
USD against RMB		
- strengthened	1	1
- weakened	(1)	(1)
SGD against RMB		
- strengthened	(115)	(89)
- weakened	115	89

(e) Capital Risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value through the optimisation of the debt and equity balance. The Group funds its operations and growth through a mix of equity and debts. These includes the maintenance of adequate lines of credit and assessing the need to raise additional equity where required.

As disclosed in Note 23, the PRC subsidiary of the Group is required by the Foreign Enterprise Law of the PRC to contribute to and maintain a statutory reserve fund. This externally imposed capital requirement has been complied with by the relevant subsidiary for the financial years ended 30 April 2014 and 30 April 2013. The Group is not subject to any other externally imposed capital requirements.

In the management of capital risk, management takes into consideration the net debt to equity ratio as well as the Group's working capital requirements. The net debt to equity ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities less total provisions, deferred tax liabilities and cash and bank balances.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2014

(Amounts in thousands of Chinese Renminbi ("RMB"))

34 Financial Risk Management (cont'd)

(e) Capital Risk (cont'd)

	Group		Company	
	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Net debt	343,020	266,794	2,687	2,074
Total equity	405,630	364,209	182,855	164,420
Net debt to equity ratio	85%	73%	1%	1%

There were no changes in the Group's approach to capital management during the financial year ended 30 April 2014.

(f) Financial Instruments by category

The carrying amount of the different categories of financial instruments are as follows:

	Group		Company	
	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Loans and receivables	620,566	602,124	170,027	150,941
Financial liabilities at amortised cost	402,504	290,002	2,818	2,167

(g) Financial assets and financial liabilities subject to offsetting and enforceable netting arrangements

Financial assets and financial liabilities that are offset in the Group's consolidated balance sheet as at 30 April 2014 are as follows:

	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities offset in the balance sheet	Net amounts of financial assets presented in the balance sheet	Related amounts not offset in the balance sheet	Net amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Types of financial assets					
Trade receivables (i)	17,751	(17,751)	–	–	–
Due from related parties (ii)	9,000	(6,213)	2,787	–	2,787
	26,751	(23,964)	2,787	–	2,787

34 Financial Risk Management (cont'd)

(g) Financial assets and financial liabilities subject to offsetting and enforceable netting arrangements (cont'd)

(i) During the financial year, the Group have set-off some balances between trade receivables and trade payables as they are settled on a net basis. As at 30 April 2014, there were no amounts that were outstanding from these counterparties.

(ii) The net amount due from a related party of RMB 2,787,000 was arrived after setting off amounts due from this related party (non-trade) with amounts due to this related party (non-trade).

35 Fair Values of Assets and Liabilities

The Group categories fair value measurement using fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The carrying amounts of financial assets and financial liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity.

As at 30 April 2014, the fair values of non-current liabilities (classified as Level 3) were calculated based on discounted expected future principal and interest cash flows. The discount rates used were based on market rates for similar instruments at the reporting date. As at 30 April 2014, the carrying amounts of the non-current liabilities approximate their fair values.

36 Subsequent Events

Subsequent to the financial year ended 30 April 2014 to the date of this report, the Group has obtained new loans amounting to RMB 15.97 million and made scheduled repayment of bank loans amounting to RMB 72.88 million.

STATISTICS OF SHAREHOLDINGS

As at 31 July 2014

Number of Shares	:	752,000,000
Class of Equity Shares	:	Ordinary Shares of US$0.015 each
Number of holders	:	1,477
Number of Treasury Shares	:	Nil
Voting Rights	:	On show of hands: 1 vote for each member
On a poll	:	1 vote for each ordinary share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	72	4.87	7,015	0.00
1,000 - 10,000	289	19.57	2,022,000	0.27
10,001 - 1,000,000	1,078	72.99	125,966,015	16.75
1,000,001 AND ABOVE	38	2.57	624,004,970	82.98
TOTAL	**1,477**	**100.00**	**752,000,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CIMB SECURITIES (SINGAPORE) PTE. LTD.	314,514,800	41.82
2	UOB KAY HIAN PRIVATE LIMITED	121,442,000	16.15
3	LIM & TAN SECURITIES PTE LTD	45,509,355	6.05
4	TSAO SAN	23,993,000	3.19
5	ZHU BOCHUN	23,691,000	3.15
6	LIU LU OR ZHU ZHENGHONG	18,389,000	2.45
7	MAYBANK KIM ENG SECURITIES PTE. LTD.	8,508,000	1.13
8	PHILLIP SECURITIES PTE LTD	7,382,000	0.98
9	OCBC SECURITIES PRIVATE LIMITED	5,240,000	0.70
10	LEE HOE NHUNG OR LEE YOKE MEI	5,000,000	0.66
11	NG KHEE JOON	3,358,000	0.45
12	NG LEE CHOO	3,100,000	0.41
13	LIAM WEI JUN (NIAN WEIJUN)	2,619,000	0.35
14	TAN THOO CHYE	2,599,000	0.35
15	TEO CHOR KOK	2,241,000	0.30
16	TAN TONG MUI	2,189,000	0.29
17	LIANG HENG YONG	2,150,000	0.29
18	SOON POH TELECOMMUNICATIONS PTE LTD	2,120,000	0.28
19	HO HIN DONG	2,100,000	0.28
20	QIN FENG	2,047,000	0.27
	TOTAL	**598,192,155**	**79.55**

STATISTICS OF SHAREHOLDINGS

As at 31 July 2014

Substantial Shareholders as at 31 July 2014

	Direct Interest		Indirect Interest	
Name of Substantial Shareholder	No. of shares	%	No. of shares	%
Full Achieve Infocom Limited	97,905,200	13.02	–	–
Ace Victory Holdings Limited	165,262,200	21.98	–	–
Deng Zelin (1)	–	–	225,449,600	29.98
Feng Haitao (2)	–	–	165,262,200	21.98

Note:

(1) Mr Deng Zelin is deemed to have an interest (a) 100,000,000 shares registered in the name of UOB Kay Hian Pte Ltd; (b) 97,905,220 shares through Full Achieve Infocom Limited, which Mr Deng holds shares representing 100% of the issued share capital of Full Achieve Infocom Limited; and (c) 27,544,400 shares through New Excellent Investment Limited, which Mr Deng holds shares representing 100% of the issued share capital of New Excellent Investment Limited.

(2) Deemed interest by virtue of his entire interest in Ace Victory Infocom Limited.

Based on the information provided to the Company as at 31 July 2014, approximately 70.02% of the issued ordinary shares of the Company are held by the public and therefore, Rule 723 of the Listing Manual of the SGX-ST is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of ACE Achieve Infocom Limited (the "**Company**") will be held at Serai Room, Level 4, Village Hotel Katong, 25 Marine Parade, Singapore 449536 on Thursday, 28 August 2014 at 10.00 a.m. to transact the following businesses:

AS ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 30 April 2014 together with the Auditors' Report thereon **Resolution 1**

2. To declare a first and final dividend of RMB0.002 per ordinary share (tax not applicable) for the financial year ended 30 April 2014 (2013: Nil). **Resolution 2**

3. To approve the payment of Directors' fees of S$70,000.00 for the financial year ended 30 April 2014 (2013: S$70,000.00). **Resolution 3**

4. To note the retirement of Mr Ong Tiew Siam as a director of the Company pursuant to Bye-Law 86(1) of the Company's Bye-Laws.

   [Mr Ong Tiew Siam who is retiring pursuant to Bye-Law 86(1) of the Company's Bye-Laws has indicated that he will not be seeking re-election as a Director of the Company. Upon Mr Ong Tiew Siam's retirement, he will cease to be the Chairman of the Nominating Committee and Remuneration Committee and a member of the Audit Committee.]

5. To re-elect Ms Yang Fan, a Director of the Company retiring pursuant to Bye-Law 85(6) of the Company's Bye-Laws. **Resolution 4**

6. To note that Messrs Moore Stephens LLP has indicated their intention not to seek re-appointment as auditors of the Company at this meeting.

   [The Company will have to convene a Special General Meeting to appoint new auditors.]

7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications:-

8. **Authority to allot and issue shares**

   "That pursuant to Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST") ("Listing Rules"), the Directors of the Company be empowered to:

   (a) (i) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution is in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed twenty per cent. (20%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:-

   (i) new Shares arising from the conversion or exercise of any convertible securities;

   (ii) new Shares arising from exercising of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

   (iii) any subsequent bonus issue, consolidation or sub-division of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-Laws of the Company; and

(4) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law and the Listing Rules to be held, whichever is the earlier.

[See Explanatory Note 1] **Resolution 5**

BY ORDER OF THE BOARD

Shirley Lim Guat Hua
Company Secretary

Singapore: 13 August 2014

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1. Special Business – Item 8 of the Notice of AGM

   The Ordinary Resolution 5 proposed in item no. 8, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to issue Shares, make or grant instruments convertible into Shares and to issue Shares pursuant to such instruments, up to a number not exceeding, in total 50% of the total number of issued Shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro rata basis to shareholders.

   For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

Notes:

1. A Member (other than The Central Depository (Pte) Limited (the "Depository")) entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote instead of him. If the Member is the Depository, the Depository may appoint more than two proxies to attend and vote at the meeting. A proxy need not be a member of the Company.

2. Where a Member appoints two proxies, he shall specify the proportion of his shareholding (expressed as percentage of the whole) to be represented by each proxy.

3. The Proxy Form shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same or, in the case of the Depository, signed by its duly authorised officer by some method or system of mechanical signature as the Depository may deem fit.

4. The Proxy Form and the power of attorney or other authority (if any) under which it is signed on behalf of the appointor, or a certified copy of such power or authority, shall be delivered to the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

Annual Report **2014**

Ace Achieve Infocom Limited