COMBINED FINANCIAL STATEMENTS
CTG (JIANGSU) ELECTRONICS CO., LIMITED
HANGZHOU LINAN XITIANQI IMPORT & EXPORT CO., LIMITED
HANGZHOU FIBERSWAY COMMUNICATION TECHNOLOGY CO., LIMITED
(Incorporated in The People's Republic of China)

For The Financial Year Ended 30 November 2017

TABLE OF CONTENTS

	PAGE
Statement by Legal Representative	1
Independent Auditors' Report	2 - 3
Combined Statements of Financial Position	4
Combined Statements of Comprehensive Income	5
Combined Statements of Changes in Equity	6
Combined Statements of Cash Flows	7 - 8
Notes to the Combined Financial Statements	9 - 31

CTG (JIANGSU) ELECTRONICS CO., LIMITEDD
HANGZHOU LINAN XITIANQI IMPORT & EXPORT CO., LIMITED
HANGZHOU FIBERSWAY COMMUNICATION TECHNOLOGY CO., LIMITED
(Incorporated in the People's Republic of China)

STATEMENT BY LEGAL REPRESENTATIVE

I, Sheng, Zejun, being the legal representative of each of the following companies which constitute:

(a) CTG (Jiangsu) Electronics Co., Limited

(b) Hangzhou Linan Xitianqi Import & Export Co., Limited

(c) Hangzhou Fibersway Communication Technology Co., Limited

state that, in my opinion, the combined financial statements set out on pages 4 to 31 are drawn up in accordance with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Combined Group as at 30 November 2017 and of their financial performance and cash flows for the financial year then ended.

Sheng, Zejun
People's Republic of China
25 September 2018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CTG (JIANGSU) ELECTRONICS CO., LIMITED
HANGZHOU LINAN XITIANQI IMPORT & EXPORT CO., LIMITED
HANGZHOU FIBERSWAY COMMUNICATION TECHNOLOGY CO., LIMITED
(Incorporated in The People's Republic of China)

HML & CO.
CHARTERED ACCOUNTANTS AF 1325
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Report on the Combined Financial Statements

We have audited the combined financial statements of CTG (Jiangsu) Electronics Co., Limited, Hangzhou Linan Xitianqi Import & Export Co., Limited and Hangzhou Fibersway Communication Technology Co., Limited ("the Combined Group"), which comprise the statements of financial position as at 30 November 2017, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Combined Group for the financial year then ended and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 31.

Management's Responsibility for the Combined Financial Statements

Management of the Combined Group are responsible for the preparation and fair presentation of these combined financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

We conducted our audit in accordance with applicable International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Combined Group's preparation of combined financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Combined Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CTG (JIANGSU) ELECTRONICS CO., LIMITED
HANGZHOU LINAN XITIANQI IMPORT & EXPORT CO., LIMITED
HANGZHOU FIBERSWAY COMMUNICATION TECHNOLOGY CO., LIMITED
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements have been properly drawn up in accordance with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Combined Group as at 30 November 2017 and of their financial performance and cash flows for the year then ended.

Other Matters

This report is made solely to the members of the Combined Group and for no other purpose. We do not assume responsibility to any other person for the content of this report.

HML & CO.
AF 1325
Chartered Accountants

Kuala Lumpur, Malaysia
25 September 2018

CTG (JIANGSU) ELECTRONICS CO., LIMITED
HANGZHOU LINAN XITIANQI IMPORT & EXPORT CO., LIMITED
HANGZHOU FIBERSWAY COMMUNICATION TECHNOLOGY CO., LIMITED
(Incorporated in the People's Republic of China)

COMBINED STATEMENTS OF FINANCIAL POSITION
AT 30 NOVEMBER 2017

	Note	30.11.2017 RMB	30.11.2016 RMB
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	10,206,287	8,660,236
Intangible assets	10	8,455,000	8,455,000
		18,661,287	17,115,236
CURRENT ASSETS			
Inventories	11	7,443,796	1,834,158
Trade receivables	12	64,654,031	18,756,068
Other receivables and prepayments	12	14,021,512	18,343,157
Other asset	13	27,982	13,656
Tax recoverable		2,386,675	2,446,934
Fixed deposit with licensed bank	14	1,170,000	170,000
Cash and bank balances	14	1,980,360	314,899
		91,684,356	41,878,872
TOTAL ASSETS		110,345,643	58,994,108
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	15	22,900,000	22,600,000
Accumulated losses		(15,262,157)	(14,845,459)
SHAREHOLDERS' EQUITY		7,637,843	7,754,541
CURRENT LIABILITIES			
Trade payables	16	51,567,688	22,279,781
Other payables and accruals	16	16,392,996	3,298,625
Loans and borrowings	17	34,400,000	24,400,000
Current tax liabilities		347,116	1,261,161
		102,707,800	51,239,567
TOTAL LIABILITIES		102,707,800	51,239,567
TOTAL EQUITY AND LIABILITIES		110,345,643	58,994,108

The accompanying notes form an integral part of the financial statements.

CTG (JIANGSU) ELECTRONICS CO., LIMITED
HANGZHOU LINAN XITIANQI IMPORT & EXPORT CO., LIMITED
HANGZHOU FIBERSWAY COMMUNICATION TECHNOLOGY CO., LIMITED
(Incorporated in the People's Republic of China)

COMBINED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2017

	Note	Year ended 30.11.2017 RMB	Year ended 30.11.2016 RMB
Revenue	18	108,238,179	64,843,260
Cost of sales		(99,283,435)	(58,037,531)
Gross profit		8,954,744	6,805,729
Other operating income	19	667,411	1,196,142
Distribution costs		(1,340,466)	(1,056,817)
Administration expenses		(5,863,714)	(1,974,455)
Other operating expenses		(10)	-
Profit from operation		2,417,965	4,970,599
Finance costs		(2,825,004)	(3,293,934)
(Loss)/Profit before taxation		(407,039)	1,676,665
Income tax expense	20	(9,659)	(264,464)
(Loss)/Profit after taxation		(416,698)	1,412,201
(Loss)/Earning per share	21	(0.02)	0.06

The accompanying notes form an integral part of the financial statements.

CTG (JIANGSU) ELECTRONICS CO., LIMITED
HANGZHOU LINAN XITIANQI IMPORT & EXPORT CO., LIMITED
HANGZHOU FIBERSWAY COMMUNICATION TECHNOLOGY CO., LIMITED
(Incorporated in the People's Republic of China)

COMBINED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2017

	Share capital RMB	Accumulated loss RMB	Total RMB
As at 1 December 2015	36,300,029	(16,257,660)	20,042,369
Profit for the year	-	1,412,201	1,412,201
Capital repayment during the year	(13,700,029)	-	(13,700,029)
As at 30 November 2016	22,600,000	(14,845,459)	7,754,541
Loss for the year	-	(416,698)	(416,698)
Issue of shares during the year	300,000	-	300,000
As at 30 November 2017	22,900,000	(15,262,157)	7,637,843

The accompanying notes form an integral part of the financial statements.

CTG (JIANGSU) ELECTRONICS CO., LIMITED
HANGZHOU LINAN XITIANQI IMPORT & EXPORT CO., LIMITED
HANGZHOU FIBERSWAY COMMUNICATION TECHNOLOGY CO., LIMITED
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COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2017

	Year ended 30.11.2017 RMB	Year ended 30.11.2016 RMB
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(407,039)	1,676,665
Adjustment for:		
Depreciation of property, plant and equipment	1,056,542	878,874
Interest income	(2,900)	(16,099)
Interest expenses	2,351,230	3,877,055
Operating profit before working capital changes	2,997,833	6,416,495
(Increase)/Decrease in inventories	(5,609,638)	1,935,938
Increase in trade receivables	(41,497,674)	(13,332,880)
Decrease in other receivables and prepayments	4,321,645	31,713,687
Increase in other assets	(14,326)	(13,656)
Increase in trade payables	24,887,618	6,975,262
Increase in other payables and accruals	13,094,371	991,733
Net cash (used in)/from operations	(1,820,171)	34,686,579
Interest received	2,900	16,099
Tax paid	(863,445)	(880,968)
Interest paid	(2,351,230)	(3,877,055)
Net cash (used in)/from operating activities	(5,031,946)	29,944,655
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,602,593)	(1,206,786)
Acquisition of intangible asset	-	(8,455,000)
Net cash used in investing activities	(2,602,593)	(9,661,786)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	300,000	-
Proceeds from/(Repayment of) borrowings	10,000,000	(7,126,960)
Capital repayment	-	(13,700,029)
Net cash from/(used in) financing activities	10,300,000	(20,826,989)

The accompanying notes form an integral part of the financial statements.

COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2017

	Year ended 30.11.2017 RMB	Year ended 30.11.2016 RMB
Net increase/(decrease) in cash and cash equivalents	2,665,461	(544,120)
Cash and cash equivalents at beginning of the year	484,899	1,029,019
Cash and cash equivalents at end of the year	3,150,360	484,899
Cash and cash equivalents comprise:		
Fixed deposits with licensed bank	1,170,000	170,000
Cash and bank balances	1,980,360	314,899
	3,150,360	484,899

The accompanying notes form an integral part of the financial statements.

1 General Information

The Company is a private company limited by shares and is incorporated under the Company Law of the People's Republic of China ("the PRC"). The principal place of businesses are as follows:

(a) #207, 84 Road, Jinhu Industry Zone
Jinhu City, Jiangsu Province,
The People's Republic of China

(b) #248, Linglong Industry Zone,
Linan City, Hangzhou,
Zhengjiang Province,
The People's Republic of China

(c) 3rd Floor, CTG Building,
No. 248, Linglong Street,
Linan City, Hangzhou, Zhejiang Province,
The People's Republic of China

2 Combined Group And Basis Of Preparation Of Combined Financial Statements

The combined financial statements are represented by the following entities:

(a) CTG (Jiangsu) Electronics Co., Limited;

(b) Hangzhou Linan Xitianqi Import & Export Co., Limited;

(c) Hangzhou Fibersway Communication Technology Co., Limited.

The above is hereinafter referred to as "the Combined Group".

The combined financial statements deal solely with the audited financial statements of the Combined Group for the year ended 30 November 2017. The financial information of the holding company, CTG Fibersway International Limited has not been presented in these combined financial statements because it was only incorporated on 23 October 2017.

The combined financial statements consist of the financial statements of the Combined Group which were under common control throughout the year by virtue of common controlling shareholder. The combined financial statements reflect business combinations under common control for the purpose of listing.

The combined financial statements have been prepared using financial information obtained from the records of the Combined Group during the year.

The objective of the combined financial statements is to show what the historical information might have been had the Combined Group (as described above) been in place since 1 December 2016.

3 PRINCIPAL ACTIVITIES

The principal activities of the entities under the Combined Group are as follows:

Entities	Country of incorporation	Principal activities
(a) CTG (Jiangsu) Electronics Co., Limited	The PRC	Manufacture of fibre optic cable
(b) Hangzhou Linan Xitianqi Import & Export Co., Limited	The PRC	Trading of cable
(c) Hangzhou Fibersway Communication Technology Co., Limited	The PRC	Trading of cable

There have been no significant changes in the nature of these activities during the year.

4 BASIS OF PREPARATION

In addition to the explanation as set out in Note 2, the financial statements of the Combined Group are prepared under the historical cost convention, and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with International Financial Reporting Standards ("IFRS"). In the preparation of the combined financial statements, the Combined Group has adopted all the IFRSs and Interpretation to IFRS that are relevant to its operations and effective for the year ended presented in the combined financial statements.

The Combined Group did not adopt an earlier application of the following new and revised IFRSs which have been issued by the IASB but are not yet effective for current year ended 30 November 2017.

IFRSs, IFRIC and amendments effective for annual periods beginning on or after 1 January 2017:

(a) Amendments to IAS 7, Disclosure Initiative

(b) Amendments to IAS 12, Recognition of Deferred Tax Assets for Unrealised Losses

(c) Amendments to IFRS 12 Disclosures of Interests in Other Entities

IFRSs, IFRIC and amendments effective for annual periods beginning on or after 1 January 2018:

(a) Amendments to IFRS 2, Classification and Measurement of Share-based payment Transactions.

(b) IFRS 15, Revenue from Contracts with Customers

(c) Classifications to IFRS 15, Revenue from Contracts with Customers

(d) IFRS 9, Financial instruments

(e) IFRIC 22, Foreign Currency Transaction and Advance Consideration

(f) Amendments to IFRS 4, Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

(g) Amendments to IAS 40, Transfers of Investment Property

(h) Annual Improvement to IFRS Standards 2014 – 2016 Cycle: Amendments to IFRS 1, First-time Adoption of International Financial Reporting Standards

(i) Annual Improvement to IFRS Standards 2014 – 2016 Cycle: Amendments to IAS 28, Investments in Associates and Joint Ventures

IFRSs, IFRIC and amendments effective for annual periods beginning on or after 1 January 2019:

(a) IFRS 16, Leases

(b) IFRIC 23, Uncertainty Over Income Tax Treatments

(c) Amendments to IAS 28, Long-term Interests in Associates and Joint Ventures

(d) Amendments to IFRS 9, Prepayment Features with Negative Compensation

(e) Annual Improvements to IFRS Standards 2015 – 2017 Cycle

(f) Amendments to IAS 19, Plan Amendment, Curtailment or Settlement

IFRSs, IFRIC and amendments effective for annual periods beginning on or after 1 January 2021:

- IFRS 17, Insurance contracts

IFRSs, IFRIC and amendments effective for annual periods beginning on or after a date yet to be confirmed:

- Amendments to IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associates or Joint Venture

The Combined Group will adopt the above IFRSs in the respective financial years when they become effective. The initial application of the above-mentioned IFRSs are not expected to have any significant impacts on the financial statements of the Combined Group.

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Combined Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk

a) Credit risk

Credit risk is the risk of a financial loss to the Combined Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Combined Group's exposure to credit risk arises principally from its receivables from customers, advances to related parties and deposits with licensed bank.

The Combined Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The carrying amounts of the financial assets recorded on the statement of financial position at the reporting date represent the Combined Group's maximum exposure to credit risk in relation to financial assets.

The Combined Group has no significant concentration of credit risk as its exposure spread over a large number of customers.

The Combined Group maintains an ageing analysis in respect of trade receivables only. The ageing of trade receivables as at the end of the reporting period was:

	2017	**2016**
	RMB	**RMB**
Not past due	32,864,924	5,362,922
Past due 30 – 60 days	21,132,107	2,789,366
Past due 61 – 120 days	804,370	2,131,757
Past due more than 120 days	9,852,630	8,472,023
	64,654,031	18,756,068

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Combined Group.

b) Liquidity risk

Liquidity risk is the risk that the Combined Group will not be able to meet its financial obligations as they fall due. The Combined Group's exposure to liquidity risk arises principally from its various payables and borrowings.

The Combined Group's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Combined Group monitors its cash flows and ensures that sufficient funding is in place to meet the obligations as and when they fall due.

The Combined Group's financial liabilities at the end of the reporting period either mature within a year or are repayable on demand.

c) Interest rate risk

The Combined Group's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in market interest rates.

The Combined Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long term deposits.

The Combined Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Combined Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Combined Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Combined Group's interest bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group	
	2017	**2016**
	RMB	**RMB**
Fixed rate instruments		
Financial asset		
Fixed deposits with licensed bank	1,170,000	170,000
Financial liability		
Loans and borrowings	(34,400,000)	(24,400,000)
	(33,230,000)	(24,230,000)

6 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying amounts of receivables and payables, cash and cash equivalents and loans and borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

7 CAPITAL MANAGEMENT

The Combined Group's objectives of managing capital are to safeguard the Combined Group's ability to continue in operations as a going concern and to provide fair returns for shareholders. The Combined Group's current strategy is to cautiously use a mix of equity capital and short-term liabilities, including advances from shareholders and related parties.

The Combined Group monitor capital using gearing ratio. The Combined Group's policy is to maintain a prudent level at gearing ratio.

The gearing ratios as at 30 November 2017 and 30 November 2016, are as follows:

	2017 RMB	2016 RMB
Total loans and borrowings	34,400,000	24,400,000
Less: Fixed deposit, Cash and bank balances	(3,150,360)	(484,899)
Net debt	31,249,640	23,915,101
Total equity	7,637,843	7,754,541
Debt-to-equity ratio	4.09	3.08

8 SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates And Judgements

Significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have significant effect in determining the amount recognised in the financial statements include the following:

(i) Loss allowances of financial assets

The Combined Group recognises impairment losses for receivables using the incurred loss model. At the end of each reporting period, the Combined Group assesses whether there is any objective evidence that loans and receivables is impaired. Individually significant loans and receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. The actual eventual losses may be different from the allowance made and this may affect the Combined Group's financial position and results.

(ii) Depreciation of property, plant and equipment

The cost of an item of property, plant and equipment is depreciated on the straight-line method or another systematic method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciated method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of property, plant and equipment.

(iii) Inventories

Inventories are stated at the lower of cost and net realisable value (NRV). NRV for finished goods and work-in-progress are assessed with reference to existing prices at the reporting date less the estimated direct cost necessary to make the sale, which represent the Combined Group's best estimation of the value recoverable through sale.

(iv) Measurement of income taxes

Significant judgment is required in determining the Combined Group's provision for current and deferred taxes. When the final outcome of the taxes payable is determined with the tax authorities, the amount might be different from the initial estimates of the taxes payable. Such differences may impact the current and deferred taxes in the period when such determination is made. The Combined Group will adjust for the differences as over or under provision of current or deferred taxes in the current period in which those differences arise.

(b) Functional And Foreign Currencies

(i) Functional Currency

The individual financial statements of each utility in the Combined Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency. The combined financial statements are presented in RMB, which is the Combined Group's functional currency.

(ii) Presentation of Foreign Currency

Transactions in foreign currencies are translated at foreign exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet dates are translated into RMB at foreign exchange rates ruling at those dares. Non-monetary assets and liabilities measured at cost in a foreign currency are translated using exchange rates that existed when the values were determined. Foreign exchange differences arising from translation are recognised in the combined statements of comprehensive income.

(c) Basis of Combination

The combined financial statements comprise the financial statements of the CTG (Jiangsu) Electronics Co., Limited, Hangzhou Linan Xitianqi Import & Export Co., Limited and Hangzhou Fibersway Communication Technology Co., Limited for the year ended 30 November 2017. Consistent accounting policies are applied for like transactions and events in similar circumstances. All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full.

The combined financial statements of the Combined Group for the year ended 30 November 2017 have been prepared in accordance with the principles of pooling of interest method.

The assets and liabilities of the combining entity are recorded at their carrying amounts reported in the combined financial statements of the parent company. Any difference between the consideration paid and the share capital of the combining entity is reflected within equity as merger reserve or merger deficit. The statement of comprehensive income reflects the results of the combining entity for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

(d) Property, Plant and Equipment

Operating tangible assets that are used for more than one accounting period in the production and supply of goods and services or for administrative purposes, are recognised as property, plant and equipment when the Combined Group obtains control of the asset. The assets are classified into appropriate classes based on their nature. Any subsequent replacement of a significant component in an existing asset is capitalised as a new component in the asset and the old component is derecognised.

All items of property, plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Leasehold land is amortised in equal instalments over the terms of the lease period of 50 years.

Other property, plant and equipment are depreciated on a straight-line method so as to write off the cost or valuation of the assets net of the estimated residual values over their estimated useful lives, as follows:

	Estimated useful lives	Estimated residual value as a percentage of cost
Buildings	20 years – 50 years	Nil or 2%
Computer and software	3 years	Nil
Electrical equipment	3 years	5%
Furniture and fittings	10 years	20%
Motor vehicles	4 years	20%
Office equipment	10 years – 20 years	20%
Plant and machinery	10 years	10%
Renovation	3 years	-

The carrying value of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

(e) Impairment of Non-Financial Assets

At each reporting date, the Combined Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Combined Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss statement, unless the relevant asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairments loss been recognised for the asset (or a cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statements of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour costs and overheads, where applicable, that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. The net realisable value is determined on an item-by-item basis or on group of similar items basis.

(g) Share Capital, Other Equity Instruments and Distributions

The Combined Group classifies and presents an issued financial instrument (or its component parts), on initial recognition as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.

(i) Share Capital

Ordinary shares and non-redeemable preference shares issued that carry no mandatory contractual obligation: (i) to deliver cash or another financial asset; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Combined Group, are classified as equity instruments.

When ordinary shares and other equity instruments are issued in a public offering or in a rights issue to existing shareholders, they are recorded at the issue price.

When ordinary shares and other equity instruments are issued as consideration transferred in a business combination or as settlement of an existing financial liability, they are measured at fair value at the date of the exchange transaction.

Transaction costs of an equity transaction are accounted for as a deduction from retained profits in equity, net of any related income tax benefit.

(ii) Compound Financial Instruments

The Combined Group evaluates the terms of an issued financial instrument to determine whether it contains both a liability and an equity component. The proceeds of a convertible bond or other compound instruments are allocated to the liability component measured at fair value, using the discounted cash flow method, and balance to the equity component. Transaction costs are allocated pro rata based on the relative carrying amounts. Any tax effect arising from temporary differences of the liability component is charged or credited to the equity component.

(iii) Distributions

The Combined Group establishes a distribution policy whereby cash dividends can only be paid out of retained profits.

Distributions to holders of an equity instrument are debited directly in equity, net of any related income tax benefit.

A dividend declared is recognised as a liability only after it has been appropriately authorised, which is the date when the Management declares an interim dividend, or in the case of a proposed final dividend, the date the shareholders of the Combined Group approve the proposed final dividend in an annual general meeting of shareholders.

(h) Financial Instruments

(i) Initial Recognition and Measurement

The Combined Group recognises a financial asset or a financial liability (including derivative instruments) in the statement of financial position when, and only when, an entity in the Combined Group becomes a party to the contractual provisions of the instrument.

If a contract, whether financial or non-financial, contains an embedded derivative, the Combined Group assesses whether the embedded derivative shall be separated from the host contract on the basis of the economic characteristics and risks of the embedded derivative and the host contract at the date when the Combined Group becomes a party to the contract. If the embedded derivative is not closely related to the host contract, it is separated from the host contract and accounted for as a stand-alone derivative. The Combined Group does not make a subsequent reassessment of the contract unless there is a change in the terms of the contract that significantly modifies the expected cash flows or when there is a reclassification of a financial asset out of the fair value through profit or loss category.

On initial recognition, all financial assets and financial liabilities (including government loans at below market interest rates) are measured at fair value plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

(ii) Derecognition of Financial Instruments

For derecognition purposes, the Combined Group first determines whether a financial asset or a financial liability should be derecognised in its entirely as a single item or derecognised part-by-part of a single item or of a group of similar items.

A financial asset, whether as a single item or as a part, is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Combined Group transfers the contractual rights to receive cash flows of the financial asset, including circumstances when the Combined Group acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Combined Group considers a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate is different by 10% or more when compared with the carrying amount of the original liability.

(iii) *Subsequent Measurement of Financial Assets and Financial Liabilities*

For the purpose of subsequent measurement, the Combined Group classifies trade and other receivables, advances to related parties, and cash and cash equivalents in the category of loans and receivables. The Combined Group has no other categories of financial assets.

After initial recognition, the Combined Group measures financial assets in the loans and receivables category as at amortised cost using the effective interest method; and

The Combined Group's financial liabilities comprise trade and other payables and advances from related parties. After initial recognition, the Combined Group measures all financial liabilities at amortised cost using the effective interest method.

(iv) *Recognition of Gains and Losses*

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in profit or loss only when the financial asset or financial liability is derecognised or impaired, and through the amortisation process of the instrument.

(v) *Impairment and Uncollectibility of Financial Assets*

The Combined Group applies the incurred loss model to recognise impairment losses of financial assets. At the end of each reporting period, the Combined Group examines whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Evidence of trigger loss events include: (i) significant difficulty of the issuer or obligor; (ii) a breach of contract, such as a default or delinquency in interest or principal payment; (iii) granting exceptional concession to a customer, (iv) it is probable that a customer will enter bankruptcy or other financial reorganisation, (v) the disappearance of an active market for that financial asset because of financial difficulties; or (vi) any observable market data indicating that there may be a measurable decrease in the estimated future cash flows from a group of financial assets.

For a non-current loan and receivable carried at amortised cost, the revised estimated cash flows are discounted at its original effective interest rate. Any impairment loss is recognised in profit or loss and a corresponding amount is recorded in an allowance account. Any subsequent reversal of impairment loss of the financial asset is reversed in profit or loss with a corresponding adjustment to the allowance account, subject to the limit that the reversal should not result in the revised carrying amount of the financial asset exceeding the amount that would have been determined had no impairment loss been recognised previously.

For short-term trade and other receivables, where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is any indication of impairment. Individually significant receivables for which no impairment loss is recognised are grouped together with all other receivables by classes based on credit risk characteristics and aged according to their past due periods. A collective allowance is estimated for a class group based on the Combined Group's experience of loss ratio in each class, taking into consideration current market conditions.

(i) Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances, short-term deposits and other short-term, highly liquid investments that are readily convertible to a known amount of cash with an insignificant risk of changes in value.

(j) Provisions

Provision are recognised when the Combined Group has a present obligation (legal or constructive) where as a result of a past event, and it is probable that the Combined Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(k) Revenue

Revenue from sales of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and taxes applicable to the revenue.

(l) Foreign Currency

Transactions in foreign currencies are initially translated at the exchange rate at the dates of the transactions.

At the reporting date, foreign currency monetary assets and liabilities are translated into Chinese Yuan or the Renminbi at the exchange rate ruling at that date. Exchange differences arising on the settlement or translation of monetary items are recognised in statements of comprehensive income.

Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using exchange rates at the date of the transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined.

The closing rates of exchange of the foreign currencies used as at the end of the financial year are as follow:

	2017	**2016**
	RMB	**RMB**
United States dollar	6.6034	6.8973

(m) Employment Benefits

The employees of the Combined Group are required to participate in a central pension scheme operated by the government. The Combined Group are required to contribute a certain percentage of its payroll costs to the central pension scheme.

These contributions are charged to the profit or loss in the period to which the contributions relate. The Combined Group's obligations under these plans are limited to the fixed percentage contributions payable.

(n) Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount VAT, except where the amount of VAT incurred is not recoverable from the Tax Office. In these circumstances the VAT is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown as inclusive of VAT.

Cash flows are presented in the cash flow statement on a gross basis, except for the VAT component of investing and financing activities, which are disclosed as operating cash flows.

(o) Tax Assets and Tax Liabilities

A current tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as a current tax asset.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (or tax loss). The exceptions for initial recognition differences include items of property, plant and equipment that do not qualify for depreciation allowances for tax purposes.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affect neither accounting profit nor tax taxable profit (or tax loss).

A deferred tax asset is recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Current and deferred taxes are measured using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

At the end of each reporting period, the carrying amount of a deferred tax asset is reviewed, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

A current or deferred tax is recognised as income or expense in profit or loss for the period, except to the extent that the tax arises from items recognised outside profit or loss. For an income or expense item recognised in other comprehensive income, the current or deferred tax expense or tax income is recognised in other comprehensive income. For items recognised directly in equity, the related tax effect is also recognised directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Combined Group intends to settle its current tax assets and liabilities on a net basis.

(p) Related Parties

A related party is defined as follows:

a) A person or a close member of that person's family is related to the Combined Group if that person:

(i) has control or joint control over the Combined Group;

(ii) has significant influence over the Combined Group; or

(iii) is a member of the key management personnel of the Combined Group.

b) An entity is related to the Combined Group if any of the following conditions applies:

(i) the entity and the Combined Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint control venture of a member of a group of which the other entity is a member).

(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.

(v) the entity is a past-employment benefit plan for the benefit of employees of either the Combined Group or an entity related to the Combined Group. If the Combined Group is itself such a plan, the sponsoring employers are also related to the Combined Group.

(vi) the entity is controlled or jointly controlled by a person identified in (a); a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

9 PROPERTY, PLANT AND EQUIPMENT

Combined Group (30 November 2017)

	As at 1 December 2016 RMB	Additions RMB	Disposals RMB	As at 30 November 2017 RMB
Cost				
Leasehold land	3,429,900	-	-	3,429,900
Buildings	3,055,422	795,000	-	3,850,422
Computer and software	151,913	65,534	-	217,447
Electrical equipment	-	46,449	-	46,449
Furniture and fittings	267,846	68,184	-	336,030
Motor vehicles	1,180,495	-	-	1,180,495
Office equipment	78,928	-	-	78,928
Plant and machinery	4,975,063	794,214	-	5,769,277
Renovation	-	833,212	-	833,212
	13,139,567	2,602,593	-	15,742,160

	As at 1 December 2016 RMB	Charges for the year RMB	Disposals RMB	As at 30 November 2017 RMB
Accumulated Depreciation				
Leasehold land	451,603	68,597	-	520,200
Buildings	782,245	158,692	-	940,937
Computer and software	148,527	18,060	-	166,587
Electrical equipment	-	5,768	-	5,768
Furniture and fittings	240,718	12,822	-	253,540
Motor vehicles	777,425	263,488	-	1,040,913
Office equipment	40,287	11,815	-	52,102
Plant and machinery	2,038,527	378,430	-	2,416,957
Renovation	-	138,869	-	138,869
	4,479,332	1,056,541	-	5,535,873

	30.11.2017 RMB	30.11.2016 RMB
Carrying Amounts		
Leasehold land	2,909,700	2,978,297
Buildings	2,909,485	2,273,177
Computer and software	50,860	3,386
Electrical equipment	40,681	-
Furniture and fittings	82,490	27,128
Motor vehicles	139,582	403,070
Office equipment	26,826	38,641
Plant and machinery	3,352,320	2,936,536
Renovation	694,343	-
	10,206,287	8,660,236

Combined Group (30 November 2016)

	As at 1 December 2015 RMB	Additions RMB	Disposals RMB	As at 30 November 2016 RMB
Cost				
Leasehold land	3,429,900	-	-	3,429,900
Buildings	2,579,386	2,739	-	2,582,125
Computer and software	150,032	1,881	-	151,913
Furniture and fittings	261,896	5,950	-	267,846
Motor vehicles	1,180,495	-	-	1,180,495
Office equipment	470,967	81,259	-	552,226
Plant and machinery	3,860,106	1,114,957	-	4,975,063
	11,932,782	1,206,786	-	13,139,568

	As at 1 December 2015 RMB	Charges for the year RMB	Disposals RMB	As at 30 November 2016 RMB
Accumulated Depreciation				
Leasehold land	383,005	68,598	-	451,603
Buildings	474,572	87,205	-	561,777
Computer and software	144,223	4,304	-	148,527
Furniture and fittings	225,554	15,164	-	240,718
Motor vehicles	522,526	254,899	-	777,425
Office equipment	210,902	49,853	-	260,755
Plant and machinery	1,639,676	398,851	-	2,038,527
	3,600,458	878,874	-	4,479,332

	30.11.2016 RMB	30.11.2015 RMB
Carrying Amounts		
Leasehold land	2,978,297	3,046,895
Buildings	2,020,348	2,104,814
Computer and software	3,386	5,809
Furniture and fittings	27,128	36,342
Motor vehicles	403,070	657,969
Office equipment	291,471	260,065
Plant and machinery	2,936,536	2,220,430
	8,660,236	8,332,324

All property, plant and equipment held by Combined Group are located in the PRC.

10 INTANGIBLE ASSET

	30.11.2017 RMB	30.11.2016 RMB
Trademark – at cost	8,455,000	8,455,000

11 INVENTORIES

	30.11.2017 RMB	30.11.2016 RMB
At cost:		
Raw materials	3,068,155	774,804
Finished goods	4,375,641	1,059,354
	7,443,796	1,834,158

12 RECEIVABLES

	30.11.2017 RMB	30.11.2016 RMB
Trade receivables	64,654,031	18,756,068
Other receivables	10,369,364	13,929,924
Prepayments	3,652,148	4,413,233
	14,021,512	18,343,157
	78,675,543	37,099,225

The Combined Group's normal trade credit term is 90 days. All trade and other receivables are denominated in RMB.

All receivables owing are not more than a period of one year.

13 OTHER ASSETS

Other assets are the Combined Group's investment on agriculture products. The products are mainly used for the purpose of gift and staff welfare.

14 CASH AND CASH EQUIVALENTS

The Combined Group's cash management policy is to use cash and bank balances to manage cash flows to ensure sufficient liquidity to meet the Combined Group's obligations. The components of cash and equivalents consist of:

	30.11.2017 RMB	30.11.2016 RMB
Cash and bank balances in the combined statements of financial position/combined statements of cash flows:		
Fixed deposit with licensed bank	1,170,000	170,000
Cash and bank balances	1,980,360	314,899
	3,150,360	484,899

The cash and bank balances are denominated in RMB.

15 SHARE CAPITAL

The share capital of the Combined Group consists only of fully paid ordinary shares; the shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital.

Ordinary shares participate in dividends in proportion to the number of shares held.

At the Shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each Shareholder has one vote on a show of hands.

	30.11.2017 RMB	30.11.2016 RMB
Paid-in capital:		
CTG (Jiangsu) Electronics Co., Limited	19,600,000	19,600,000
Hangzhou Linan Xitianqi Import & Export Co., Limited	3,000,000	3,000,000
Hangzhou Fibersway Communication Technology Co., Limited	300,000	-
	22,900,000	22,600,000

16 PAYABLES

	30.11.2017 RMB	30.11.2016 RMB
Trade payables	51,567,688	22,279,781
Other payables	15,640,639	2,910,000
Accruals	752,357	388,625
	16,392,996	3,298,625
	67,960,684	25,578,406

The normal trade credit terms granted to the Combined Group range from 60 to 90 days. All trade and other payables are denominated in RMB.

All trade payables owing are not more than a period of one year.

17 LOANS AND BORROWINGS

	30.11.2017 RMB	30.11.2016 RMB
Current liabilities		
Secured bank loans	18,400,000	18,400,000
Unsecured bank loans	16,000,000	6,000,000
	34,400,000	24,400,000

The secured bank loans bear the interest rate range from 5.50% - 8.5% (2016: 4.35% - 8.5%).

18 REVENUE

Revenue represents invoiced value of goods sold net of discounts and returns.

19 OTHER INCOME

	Year ended 30.11.2017 RMB	Year ended 30.11.2016 RMB
Gain on foreign exchange	24,210	221,366
Government subsidy	44,050	51,830
Interest income	2,900	16,099
Other income	596,251	906,847
	667,411	1,196,142

20 INCOME TAX EXPENSE

Current tax represents PRC enterprise Income tax ("EIT"). The provision for PRC EIT is calculated based on the PRC statutory income tax rate 25%.

	Year ended 30.11.2017 RMB	Year ended 30.11.2016 RMB
Current income tax	9,659	264,464
(Loss)/Profit before taxation	(407,039)	1,676,665
Tax calculated at the tax rate 25%	(101,760)	419,166
Expenses not deductible for tax purpose	111,419	30,688
Utilisation of unabsorbed tax losses brought forward	-	(185,390)
	9,659	264,464

21 (LOSS)/EARNING PER SHARE

The loss or earning per share is calculated by taking the loss for the year of RMB416,698 (2016: RMB1,412,201) and dividing it by 22,900,000 ordinary shares (2016: 22,600,000 ordinary shares) in issue and outstanding throughout the financial year.

22 COMPENSATION OF KEY MANAGEMENT PERSONNEL

	Year ended 30.11.2017 RMB	Year ended 30.11.2016 RMB
Short term benefits	432,113	259,900
Other long term benefits	26,472	7,200
	458,585	267,100

Key management personnel comprise Legal Representatives of the Combined Group and other persons in the Combined Group, having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

23 RELATED PARTY DISCLOSURES

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Companies and related parties took place at term agreed between the parties during the financial year:

With parties that have substantial financial interest in the Companies

During the year, the Companies has entered into the following trading transactions with the related entities:

	2017 RMB	2016 RMB
Sales	47,900,963	-
Purchases	36,272,624	15,209,850

As at the end of the year, the Companies have following outstanding balances with the related entities:

	2017 RMB	2016 RMB
Amount owing from related party	26,695,330	11,290,394
Amount owing from key management personnel	-	4,038,936
Amount owing to related party	24,246,912	15,270,345
Amount owing to key management personnel	8,418,364	-

The outstanding payables are unsecured, carries no interest chargeable and repayable on demand.