

CTG FIBERSWAY INTERNATIONAL LIMITED
(Incorporated in Cayman Islands)
(Company reg no: ARBN 622 412 186)

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
30 JUNE 2022**

CTG FIBERSWAY INTERNATIONAL LIMITED
(Incorporated in Cayman Islands)
(Company reg no: ARBN 622 412 186)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTHS ENDED 30 JUNE 2022**

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CTG FIBERSWAY INTERNATIONAL LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2022**

The Directors are pleased to present their report and the condensed consolidated interim financial statements of CTG FIBERSWAY INTERNATIONAL LIMITED for the six months ended 30 June 2022.

DIRECTORS

The Directors of the Group in office during the period were as follows:

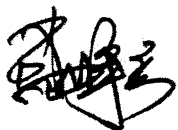
SHENG Zejun
SHENG Yanjun
HU Yuxing

REVIEW OF OPERATIONS

The principal activities of the Company and its controlled entities are manufacture, sales and marketing of networking cables, optic fibre cables and ancillary products and services. There have been no significant changes in the nature of these activities during the six months ended 30 June 2022.

Signed on behalf of the Board of the Directors,

SHENG, ZEJUN
Director



People's Republic of China

13 SEP 2022

CTG FIBERSWAY INTERNATIONAL LIMITED

STATEMENT BY DIRECTOR

I, SHENG, ZEJUN, the Director of CTG FIBERSWAY INTERNATIONAL LIMITED, state that, in my opinion, the financial statements set out on pages 4 to 18 are drawn up in accordance with IAS 34 Interim Financial Reporting so as to give a true and fair view of the financial position of the Group as at 30 June 2022 and of financial performance and cash flows of the Group for the financial period ended on that date.

Signed on behalf of the Board of the Directors,

SHENG, ZEJUN
Director



People's Republic of China

13 SEP 2022

**INDEPENDENT AUDITORS' REPORT ON
REVIEW OF CONDENSED
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
TO THE MEMBERS OF
CTG FIBERSWAY INTERNATIONAL LIMITED
(Company reg no: ARBN 622 412 186)**

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of CTG FIBERSWAY INTERNATIONAL LIMITED as at 30 June 2022, the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-months then ended, and notes to the interim financial statements ("condensed consolidated interim financial statements"). The Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at and for the six months ended 30 June 2022 are not presented fairly, in all material aspects, in accordance with IAS 34 Interim Financial Reporting.



HML PLT
201504000748 (LLP0004524-LCA) & AF 002152
Chartered Accountants

Kuala Lumpur, Malaysia
13 September 2022

CTG FIBERSWAY INTERNATIONAL LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

		Group	
		30.6.2022	31.12.2021
	Note	A\$	A\$
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,244,906	2,318,758
Intangible assets	7	1,834,108	1,829,007
Goodwill	8	2,844,372	2,848,866
		<u>6,923,386</u>	<u>6,996,631</u>
CURRENT ASSETS			
Inventories	9	2,059,409	2,765,626
Trade receivables and advance payments	10	4,971,148	4,737,588
Other receivables and deposits	11	17,423,913	20,475,734
Fixed deposits with bank		2,021,749	2,016,126
Cash and bank balances		648,771	270,797
		<u>27,124,990</u>	<u>30,265,871</u>
TOTAL ASSETS		<u>34,048,376</u>	<u>37,262,502</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	4,500,000	4,500,000
Foreign currency translation reserve	12	(92,549)	(85,539)
Accumulated losses		<u>(2,598,627)</u>	<u>(2,620,395)</u>
TOTAL EQUITY		<u>1,808,824</u>	<u>1,794,066</u>
NON-CURRENT LIABILITY			
Other payables and accruals	13	<u>581,533</u>	<u>579,915</u>
CURRENT LIABILITIES			
Trade payables and advance received	14	12,947,834	15,240,766
Other payables and accruals	13	5,746,228	6,892,220
Borrowings	15	9,519,958	8,750,625
Amount owing to Directors	16	3,435,731	3,996,665
Tax payables		8,268	8,245
		<u>31,658,019</u>	<u>34,888,521</u>
TOTAL LIABILITIES		<u>32,239,552</u>	<u>35,468,436</u>
TOTAL EQUITY AND LIABILITIES		<u>34,048,376</u>	<u>37,262,502</u>

The accompanying notes form an integral part of the financial statements

CTG FIBERSWAY INTERNATIONAL LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2022**

	Group	
	Six months ended 30.6.2022 A\$	Six months ended 30.6.2021 A\$
Revenue	20,784,869	5,439,977
Cost of sales	<u>(18,693,533)</u>	<u>(5,193,457)</u>
Gross profit	2,091,336	246,520
Other operating income	120,170	57,954
Administration expenses	(1,228,107)	(610,580)
Distribution expenses	(568,558)	(203,808)
Other operating expenses	<u>(32,643)</u>	<u>(12,157)</u>
Profit/(Loss) from operations	382,198	(522,071)
Finance expenses	<u>(360,430)</u>	<u>(296,616)</u>
Profit/(Loss) before tax	21,768	(818,687)
Income tax expenses	<u>-</u>	<u>-</u>
Profit/(Loss) for the period	<u>21,768</u>	<u>(818,687)</u>
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences	<u>(7,010)</u>	<u>(11,122)</u>
Total comprehensive income/(loss) for the period	<u>14,758</u>	<u>(829,809)</u>
Loss per share:		
Basic - cents per share	<u>0.01</u>	<u>(0.41)</u>

The accompanying notes form an integral part of the financial statements

CTG FIBERSWAY INTERNATIONAL LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2022**

	Share capital A\$	Accumulated losses A\$	Foreign currency translation reverse A\$	Total A\$
As at 1 January 2022	4,500,000	(2,620,395)	(85,539)	1,794,066
Profit and total comprehensive income for the period	-	21,768	(7,010)	14,758
As at 30 June 2022	<u>4,500,000</u>	<u>(2,598,627)</u>	<u>(92,549)</u>	<u>1,808,824</u>

	Share capital A\$	Accumulated losses A\$	Foreign currency translation reverse A\$	Total A\$
As at 1 January 2021	4,500,000	(1,610,435)	38,006	2,927,571
Loss and total comprehensive loss for the period	-	(818,687)	(11,122)	(829,809)
As at 30 June 2021	<u>4,500,000</u>	<u>(2,429,122)</u>	<u>26,884</u>	<u>2,097,762</u>

The accompanying notes form an integral part of the financial statements

CTG FIBERSWAY INTERNATIONAL LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2022**

	Group	
	Six months ended 30.6.2022 A\$	Six months ended 30.6.2021 A\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	21,768	(818,687)
Adjustment for:		
Depreciation of property, plant and equipment	97,853	92,689
Bad debts written off	29,243	8,996
Interest expenses	360,430	296,616
Interest income	(13,482)	(12,002)
Operating profit/(loss) before working capital changes	495,812	(432,388)
Decrease/(Increase) in inventories	706,217	(327,183)
Increase in trade receivables and advance payments	(233,560)	(962,068)
Decrease in other receivables and deposits	3,051,821	2,672,695
Increase in other assets	-	(416)
Decrease in trade payables and advance received	(2,292,932)	(428,942)
(Decrease)/Increase in other payables and accruals	(1,145,992)	85,226
Decrease in amount owing to Directors	(560,934)	(320,800)
Cash from operations	20,432	286,124
Interest paid	(360,430)	(296,616)
Interest received	13,482	12,002
Net cash (used in)/from operating activities	(326,516)	1,510
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment	(18,386)	-
Net cash used in investing activity	(18,386)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment from other payable	(151,830)	(124,856)
Proceeds/(Repayment from) borrowings	769,333	(31,481)
Net cash from/(used in) financing activities	617,503	(156,337)
Net increase/(decrease) in cash and cash equivalents	272,601	(154,827)
Cash and cash equivalents at beginning of the period	2,088,293	1,524,541
Effect of exchange rate changes on cash and cash equivalents	92,726	183,535
Cash and cash equivalents at end of the period	2,453,620	1,553,249

The accompanying notes form an integral part of the financial statements

CTG FIBERSWAY INTERNATIONAL LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2022**

	Group	
	Six months	Six months
	ended	ended
	30.6.2022	30.6.2021
	A\$	A\$
Cash and cash equivalents comprise:		
Fixed deposits with bank	2,021,749	1,686,697
Cash and bank balances	<u>648,771</u>	<u>73,002</u>
	2,670,520	1,759,699
Less: Fixed deposits pledge with bank	<u>(216,900)</u>	<u>(206,450)</u>
	<u><u>2,453,620</u></u>	<u><u>1,553,249</u></u>

The accompanying notes form an integral part of the financial statements

CTG FIBERSWAY INTERNATIONAL LIMITED

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2022

1 GENERAL INFORMATION

The Company is a public limited liability company incorporated in Cayman Islands, registered in Australia and listed in National Stock Exchange of Australia ("NSX").

The Group principally engaged in manufacturing and sale of networking cables, optic fibre cables and ancillary products and services. There have been no significant changes in the nature of these activities during the period.

2 BASIS OF PREPARATION

2.1 BASIS OF PRESENTATION CURRENCY AND COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

These condensed consolidated interim financial statements ("interim financial statements") as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as "the Group") and are presented in Australian Dollars. They have been prepared in accordance with *IAS 34 Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards ("IFRSs"), and were authorised for issue in accordance with the resolution of the Directors on the date of this statement.

These interim financial statements are intended to provide users with an update on the annual financial statements of CTG FIBERSWAY INTERNATIONAL LIMITED. As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report to be read in conjunction with the last annual financial statements of the Group as at and for the year ended 31 December 2021.

2.2 GOING CONCERN ASSUMPTION

The Directors assessed and concluded that it is appropriate to prepare this set of condensed consolidation interim financial statements on a going concern basis. While the Group recorded a net current liabilities of A\$4,533,029 as at 30 June 2022 (2021: A\$4,622,650), there is no reason for the Directors to believe that there is any significant uncertainty on the ability of the Group to continue as a going concern because the Directors have undertaken to provide appropriate financial support to the Company to enable it to meet its obligations as and when they fall due.

3 SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standard Board (“IASB”).

3.1 ADOPTION OF NEW AND AMENDED STANDARDS

During the period, the Group have adopted all the amendments to IFRS that are mandatory for the current year. The adoption of the amendments to IFRS did not have any significant impact on the financial statements of the Group.

IFRSs, IFRIC and amendments effective for annual periods beginning on or after 1 January 2022:

- Amendments to IFRS 3, Reference to the Conceptual Framework
- Amendments to IAS 16, Property, Plant and Equipment
- Amendments to IAS 37, Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRS Standards 2018 – 2020

3.2 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The 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 period ended 30 June 2022.

IFRSs, IFRIC and amendments effective for annual periods beginning on or after 1 January 2023:

- IFRS 17, Insurance Contracts
- Amendments to IFRS 17, Insurance Contracts
- Amendments to IFRS 17, Initial Application of IFRS 17 and IFRS 9, Comparative Information
- Amendments to IAS 1, Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 and IFRS Practice Statement 2, Disclosure of Accounting Policies
- Amendments to IAS 8, Disclosure of Accounting Estimates
- Amendments to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 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 Group.

CTG FIBERSWAY INTERNATIONAL LIMITED

4 SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

The Group has reviewed its exposure to climate-related and other emerging business risk but has not identified any risk that could impact the financial performance or position of the Group as at 30 June 2022. It has sufficient headroom to enable it to conform to covenants on its existing borrowings and sufficient working capital and undrawn financing facilities to service its operating activities.

The financial position and performance of the Group were particularly affected by the following events and transactions during the six months to 30 June 2022:

- (a) a significant increase in revenue from A\$5,439,977 to A\$20,784,869, this is mainly due to increase in export sale of networking cables, optic fibre cables and ancillary products. The situation is caused by recovery in global market conditions post COVID-19 pandemic which have improved in market confidence and consumer spending patterns.
- (b) a significant improve in the gross profit margin from 4.5% to 10% mainly due to the increase of selling price for the networking cables, optic fibre cables and ancillary products.

5 ACCOUNTING ESTIMATES AND MANAGEMENT JUDGEMENTS DUE TO THE COVID-19 PANDEMIC

When preparing these interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The challenges arisen from COVID-19 continued throughout year 2022. Following the massive social and economic disruption around the world last year, global economy recovered at a slow pace. Due to the currently unforeseeable consequences of the COVID-19 pandemic, these accounting estimates and management judgements are subject to increased uncertainty. Actual amounts may differ from the estimates and management judgements; changes can have a material impact on the Interim Consolidated Financial Statements.

6 PROPERTY, PLANT AND EQUIPMENT

	As at 1 January 2022	Additions	Exchange differences	As at 30 June 2022
	A\$	A\$	A\$	A\$
<u>Cost</u>				
Leasehold land	741,964	-	2,069	744,033
Building	1,335,817	-	3,726	1,339,543
Computer and software	52,120	-	145	52,265
Electrical equipment	25,438	-	71	25,509
Furniture and fittings	94,356	-	263	94,619
Motor vehicles	129,382	-	361	129,743
Office equipment	74,399	-	208	74,607
Plant and machinery	1,864,130	18,386	5,396	1,887,912
Renovation	262,392	-	732	263,124
	4,579,998	18,386	12,971	4,611,355

CTG FIBERSWAY INTERNATIONAL LIMITED

	As at 1 January 2022	Charges for the period	Exchange differences	As at 30 June 2022
	A\$	A\$	A\$	A\$
<u>Accumulated Depreciation</u>				
Leasehold land	173,125	7,361	562	181,048
Building	442,731	29,820	1,555	474,106
Computer and software	47,302	280	135	47,717
Electrical equipment	23,099	-	64	23,163
Furniture and fittings	82,716	3,222	265	86,203
Motor vehicles	122,913	-	343	123,256
Office equipment	66,960	130	188	67,278
Plant and machinery	1,040,002	57,040	3,512	1,100,554
Renovation	262,392	-	732	263,124
	<u>2,261,240</u>	<u>97,853</u>	<u>7,356</u>	<u>2,366,449</u>

	30.6.2022	31.12.2021
	A\$	A\$
<u>Carrying Amounts</u>		
Leasehold land	562,985	568,839
Building	865,437	893,086
Computer and software	4,548	4,818
Electrical equipment	2,346	2,339
Furniture and fittings	8,416	11,640
Motor vehicles	6,487	6,469
Office equipment	7,329	7,439
Plant and machinery	787,358	824,128
Renovation	-	-
	<u>2,244,906</u>	<u>2,318,758</u>

The costs of fully depreciated property, plant and equipment of the Group are as follows:

	Group	
	30.6.2022	31.12.2021
	A\$	A\$
Computer and software	47,168	47,038
Electrical equipment	25,509	25,438
Furniture and fittings	58,102	57,941
Motor vehicles	129,743	129,382
Office equipment	68,560	68,560
Plant and machinery	1,097,198	1,094,163
Renovation	263,124	262,392
	<u>1,689,404</u>	<u>1,684,914</u>

CTG FIBERSWAY INTERNATIONAL LIMITED

The carrying amounts of following property, plant and equipment were pledged as securities for other payable and bank borrowings granted to the Group as disclosure in Note 13 and Note 15:

	Group	
	30.6.2022	31.12.2021
	A\$	A\$
Leasehold land	562,985	568,839
Building	865,437	893,086
Plant and machinery	501,177	477,031
	<u>1,929,599</u>	<u>1,938,956</u>

7 INTANGIBLE ASSETS

Group	Trademark	Total
	A\$	A\$
<u>Cost</u>		
At beginning of the period	1,829,007	1,829,007
Exchange difference	5,101	5,101
At end of the period	<u>1,834,108</u>	<u>1,834,108</u>
<u>Carrying amounts</u>		
As at 30 June 2022	<u>1,834,108</u>	<u>1,834,108</u>
As at 31 December 2021	<u>1,829,007</u>	<u>1,829,007</u>

The Group's intangible assets are assessed to have indefinite useful life due to the trademark registration in People's Republic of China being indefinite and hence no amortisation is charged.

8 GOODWILL ON CONSOLIDATION

	Group	
	30.6.2022	31.12.2021
	A\$	A\$
At beginning of the period/year	2,930,152	2,930,152
Exchange difference	(85,780)	(81,286)
At end of the period/year	<u>2,844,372</u>	<u>2,848,866</u>

9 INVENTORIES

	Group	
	30.6.2022	31.12.2021
	A\$	A\$
Raw material	528,316	508,848
Work-in-progress	217,726	974,628
Finished goods	1,313,367	1,282,150
	<u>2,059,409</u>	<u>2,765,626</u>

CTG FIBERSWAY INTERNATIONAL LIMITED

10 TRADE RECEIVABLES AND ADVANCE PAYMENTS

	Group	
	30.6.2022	31.12.2021
	A\$	A\$
Trade receivables	4,989,951	4,652,768
Less: Allowance for impairment loss	(46,556)	(46,427)
	4,943,395	4,606,341
Advance payments	27,753	131,247
	<u>4,971,148</u>	<u>4,737,588</u>
Allowance for impairment of loss:		
Balance at beginning of the period/year	46,427	42,673
Exchange difference	129	3,754
Balance at end of the period/year	<u>46,556</u>	<u>46,427</u>
In RMB	1,502,093	3,897,512
In US Dollar	3,441,302	708,829
Balance at end of the period/year	<u>4,943,395</u>	<u>4,606,341</u>

Included in trade receivables of the Group is an amount of A\$1,347,864 (31.12.2021: A\$3,714,647) owing from a company in which one of the Directors of the Company has interest.

11 OTHER RECEIVABLES AND DEPOSITS

	Group	
	30.6.2022	31.12.2021
	A\$	A\$
Other receivables	17,303,073	20,355,230
Deposits	120,840	120,504
	<u>17,423,913</u>	<u>20,475,734</u>

Included in other receivables of the Group is an amount of A\$13,300,250 (31.12.2021: A\$11,345,743) owing from a company in which one of the Directors of the Company has interest.

CTG FIBERSWAY INTERNATIONAL LIMITED

12 CAPITAL AND RESERVES

12.1 SHARE CAPITAL

	Group	
	30.6.2022	31.12.2021
Number of shares (units)	<u>200,000,000</u>	<u>200,000,000</u>
Issued and Paid-up (A\$)		
At beginning/end of the period	<u>4,500,000</u>	<u>4,500,000</u>

12.2 FOREIGN CURRENCY TRANSLATION RESERVE

Foreign currency translation reserve comprises all foreign exchange differences arising from translation of the financial statements of the Group and foreign operations with different functional currencies from that of the Group's presentation currency.

13 OTHER PAYABLES AND ACCRUALS

	Group	
	30.6.2022	31.12.2021
	A\$	A\$
Non-current		
Other payable (a)	581,533	579,915
Current		
Other payables (a)	168,378	321,826
Other payables (b)	5,427,662	6,516,706
Accruals	150,188	53,688
	<u>5,746,228</u>	<u>6,892,220</u>
	<u>6,327,761</u>	<u>7,472,135</u>

- (a) Amount owing to other payable represent the advance by a third party and the interest is charge at the rate of 22% (31.12.2021: 19%) per annum, repayable over 36 months with a monthly repayment term. The advance is secured by the Group's certain plant and machinery as disclosed in Note 6.
- (b) Included in other payables is an amount of A\$4,977,032 (31.12.2021: A\$6,258,275) owing to a company in which one of the Directors of the Company has interest. This amount is unsecured, interest free and repayable on demand.

CTG FIBERSWAY INTERNATIONAL LIMITED

14 TRADE PAYABLES ADVANCE RECEIVED

	Group	
	30.6.2022	31.12.2021
	A\$	A\$
Trade payables	12,784,838	14,370,732
Advance received	<u>162,996</u>	<u>870,034</u>
	<u>12,947,834</u>	<u>15,240,766</u>

Included in trade payables of the Group is an amount of A\$Nil (31.12.2021: A\$4,880,447) owing from a company in which one of the Directors of the Company has interest.

15 BORROWINGS

	Group	
	30.6.2022	31.12.2021
	A\$	A\$
Secured:		
- Bankers' acceptance	433,852	432,645
- Revolving loan	3,659,538	3,649,360
- Short-term loans	<u>5,426,568</u>	<u>4,668,620</u>
	<u>9,519,958</u>	<u>8,750,625</u>

Interest charged in the current period range from 4.35% to 10.44% (31.12.2021: 5.50% to 10.44%) per annum.

As at 30 June 2022, the borrowings are secured by:

- i) the Group's leasehold land, building and certain plant and machinery as disclosed in Note 6;
- ii) fixed deposits with bank;
- iii) guarantee by one of the Directors of the Company;
- iv) guarantee by related companies and a company which one of the Directors of the Company has interest; and
- v) guarantee by key management personnel.

16 AMOUNT OWING TO DIRECTORS

These amounts are unsecured, interest free and repayable on demand.

17 RELATED PARTY DISCLOSURE**17.1 COMPENSATION OF KEY THE BOARD OF DIRECTORS PERSONNEL**

	1.1.2022	1.1.2021
	to	to
	30.6.2022	30.6.2021
	AS	AS
Short term benefits	<u>110,424</u>	<u>53,977</u>

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

17.2 OTHER RELATED PARTY TRANSACTIONS

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

During the period, the Group has entered into the following transactions with the related parties:

	1.1.2022	1.1.2021
	to	to
	30.6.2022	30.6.2021
	AS	AS
Sales of goods to a company controlled by a Director of the company	1,940,477	1,297,473
Purchase of goods from a company controlled by a Director of the company	2,499,786	2,239,158
Repayment from Directors	(560,934)	(320,800)
Advances from/(to) a company controlled by a Director of the company	<u>(3,235,750)</u>	<u>2,536,528</u>

18 SEGMENT INFORMATION**(a) Business segment**

The Group's activities are primarily in one industry segment of manufacturing and sale of networking cables, optic fibre cables and ancillary products and services.

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(b) Geographical information

Sale to external customers disclosed in the geographical information is based on the geographical locations of the customers.

Revenue information based on the geographical location of customers:

	1.1.2022 to 30.6.2022 A\$	1.1.2021 to 30.6.2021 A\$
China	1,928,422	1,382,756
Overseas	18,856,447	4,057,221
	<u>20,784,869</u>	<u>5,439,977</u>

19 SEASONAL/CYCLICAL FACTORS

The operations of the Group were not significantly affected by seasonality and cyclical factors.

20 ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENCE

There was no material item of an unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows during the financial period ended 30 June 2022.

21 MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in the prior year that have a material effect in the six months ended 30 June 2022.

22 DEBT AND EQUITY SECURITIES

There were no issuance, repurchase and repayments of debt and equity securities during the six months ended 30 June 2022.

23 DIVIDEND PAID

No dividend paid during the reporting period.