



COMMENTARY AND SUPPLEMENTAL DISCLOSURE TO THE 2021 ANNUAL REPORT

The Directors of CTG Fibersway International Limited (NSX: CFW) (the **Company**) refers to the 2021 annual report (the **2021 Annual Report**) in relation to the financial year ended 31 December 2021 (**Financial Year Under Review**) which the Company announced on 16 March 2022 and wish to make the following commentary or, where necessary, supplemental disclosure on the disclosure items required under NSX Listing Rule 6.9 (**LR6.9**):

Disclosure item	Commentary or, where necessary, supplemental disclosure
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LR6.9(1)	The principal activities of the Company and its child entities are disclosed in Note 1 on page 13 and in Note 7 on page 35 of the 2021 Annual Report respectively. However, these principal activities are summarised below for easy reference:
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| (i) | Investment holding company; |
| (ii) | Manufacture and sales of networking cables and related products; and |
| (iii) | Sales and marketing of networking cable, optic fibre cables and related products. |

LR6.9(2)	Relevant details of the Company and each child entity are set out in tabular format in Note 7 on page 35 of the 2021 Annual Report.
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LR6.9(3)	The directors' interests in securities issued by the Company at the beginning and at the end of the Financial Year Under Review are set out in the table below:
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	Number of ordinary shares			
	Held on 01.01.2021	Bought	Sold	Held on 31.12.2021
SHENG Zejun	60,000,000	-	-	60,000,000
SHENG Yanjun	30,000,000	-	-	30,000,000
HU Yuxing	-	-	-	-

As of the end of the Financial Year Under Review, there is no right to subscribe for equity or debt securities of the Company granted to any director or officer of the Company nor has there been any exercise of any such right during the Financial Year Under Review.

LR6.9(4)	The Company has not previously published any forecast of its financial performance or financial position in relation to the Financial Year Under Review.
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Disclosure item	Commentary or, where necessary, supplemental disclosure
LR6.9(5)	As of the end of the Financial Year Under Review, there is no unexpired period of any service contract of any director proposed for election at the forthcoming annual general meeting.
LR6.9(6)	<p>As of the end of the Financial Year Under Review, save as disclosed in the 2021 Annual Report, there is no contract:</p> <ul style="list-style-type: none"> (i) subsisting during or at the end of the financial year in which a director of the Company is or was materially interested, either directly or indirectly; or (ii) between the Company, or one of its child entity companies, and a controlling shareholder or any of its child entities; or (iii) for the provision of services to the group by a controlling shareholder or any of its child entities.
LR6.9(7)	There is no arrangement under which a director has waived or agreed to waive any emolument.
LR6.9(8)	There is no arrangement under which a shareholder has waived or agreed to waive any dividend.
LR6.9(9)	A summary, in the form of a comparative table, of the results and of the assets and liabilities of the group, for the last five financial years or, for such of those years during which the group traded, is attached in Appendix 1 .
LR6.9(10)	<p>The principal activities of the Group are investment holding, manufacture and sales of networking cables and related products and sales and marketing of networking cable, optic fibre cables and related products.</p> <p>Revenue for the Financial Year Under Review was A\$18.177 million, down 18.53% from last period (31 December 2020: A\$22.311 million). This was due mainly to the drop of overseas sales caused by the Covid-19 pandemic globally. Under the Covid-19 rapidly developing situations, countries around the world have implemented various measures and restrictions on travel, quarantine, social distance, and border controls. The global economy and world trade have been severely hurt by such unusual disruption and damage. The declines in overseas sales and total revenue for the year were as expected. Notwithstanding various measures and restrictions have been implemented by countries and governments to prevent the spread of Covid-19, the number of infections is continuing to surge and the Company is not able to reasonably estimate a time-frame for recovery of this trying trading environment.</p> <p>The group reported a gross loss of A\$1.044 million, down 55.78% from last period (31 December 2020: A\$2.361 million). In addition to the decrease in sales revenue, the price of raw materials increased to record highs and shipping costs continued to increase. Drop of sales and increase of costs together result in decrease of the gross profit.</p> <p>As at the end of the Financial Year Under Review, the group had approximately A\$2.088 million cash and cash equivalents and negative \$4.623 million working capital. Despite the unprecedented challenges, the Group managed to repay</p>

Disclosure item	Commentary or, where necessary, supplemental disclosure
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	A\$8.664 million of borrowings during the year, and the Company is cautiously optimistic that it will be able to meet its obligations as and when they fall due.
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LR6.9(11)	The Company will lodge a statement of the main corporate governance practices that it had in place during the Financial Year Under Review in a separate announcement, and expects to lodge this corporate governance statement no later than close of business on 29 March 2022.
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LR6.9(12)	The Company's top 10 holders of its listed securities as of 31 December 2021, the the Company's most recent balance date are set out below:
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			% of Issued
Position	Holder Name	Holding	Share Capital
1	SHENG ZEJUN	60,000,000	30.00%
2	SHENG GUOXIAN	50,000,000	25.00%
3	SHENG YANJUN	30,000,000	15.00%
4	HE XIANXIAN	9,570,816	4.79%
5	FU SHIHUA	6,020,000	3.01%
6	QIANHAI SETTLEMENT CORP	6,000,000	3.00%
7	SHENG BAJIN	5,233,334	2.62%
8	WANG HUIXIN	2,000,012	1.00%
9	ZHEJIANG YUNWENWUJIE CULTURAL	2,000,000	1.00%
10	YU YONGQIN	1,785,715	0.89%
	Total	172,609,877	86.31%
	Total issued capital	200,000,000	100.00%

LR6.9(13)	The Company's holdings range report for its listed securities as of 31 December 2021, the the Company's most recent balance date are set out below:
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			% of Issued
Holding Ranges	Holders	Total Units	Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	32	2,256,676	1.13%
above 100,000	76	197,743,324	98.87%
Totals	108	200,000,000	100.00%

For and on behalf of
CTG Fibersways International Limited



SHENG Zejun (Richard)
 Executive chairman
 Hangzhou, China
 29 March 2022