



**Appendix 3**  
**Preliminary Final Report to the National Stock Exchange of Australia**  
**Australia Sunny Glass Group Limited and Controlled Entities – ABN 54 632 790 660**  
**For the year ended 30 June 2021**

**1. Details of the reporting period and the previous corresponding period.**

<b>Reporting Period</b>	<b>12 Months ended 30 June 2021</b>
<b>Previous Corresponding Reporting Period</b>	<b>12 Months ended 30 June 2020</b>

**2. Results for announcement to the market**

		<b>\$A,000</b>		<b>\$A,000</b>
Revenue from ordinary activities	from	24	to	10,469
Loss from ordinary activities after tax	from	(41)	to	(588)
Loss from ordinary activities after tax attributable to members of the parent	from	(41)	to	(588)

*Note: The Company acquired its wholly owned subsidiary, Sydney Sunny Glass Pty Ltd during the current reporting period and the preliminary report for the year ended 30 June 2021 is prepared on a consolidated basis. The previous corresponding period only refers to results of the Company as a standalone entity. Refer to the preliminary report lodged with this Appendix 3 for further details.*

**2.1 The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.**

It is not proposed to pay a dividend during the current reporting period nor were there any dividends paid, recommended or declared during the previous reporting period.

**2.2 The record date for determining entitlements to the dividends (if any).**

Not applicable

**2.3 A brief explanation of any of the above figures necessary to enable the figures to be understood.**

Please refer to the Preliminary Report for the year ended 30 June 2021 lodged with this Appendix 3.

**3. Net tangible assets per security with the comparative figure for the previous corresponding period.**

Net tangible assets per security	Cents	8.10
Previous corresponding period	Cents	9.05

The comparison to the previous corresponding reporting period refers to the results of the Company as a standalone entity. The Company acquired its wholly-owned subsidiary, Sydney Sunny Glass Pty Ltd during the current reporting period and the Preliminary Report is prepared on a consolidated basis.

**4. Details of entities over which control has been gained or lost during the period, including the following.**

**4.1 Name of the entity.**

Sydney Sunny Glass Pty Ltd and Melbourne Sunny Glass Façade Pty Ltd.

#### ***4.2 The date of the gain or loss of control.***

The Company completed the acquisition of Sydney Sunny Glass Pty Ltd on 24 July 2020. Melbourne Sunny Glass Façade Pty Ltd was incorporated on 20 August 2020. Both entities are wholly owned subsidiaries of the Company.

#### **5. Details of audit qualification or review (if any):**

The financial statements are currently in the process of being audited.

#### **6. Attachments**

The Preliminary Report of Australia Sunny Glass Group Limited for the year ended 30 June 2021 is attached.

#### **7. Signed**

Authorised by the Board of Directors and dated 13 September 2021.

# Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	Consolidated 30 Jun 2021 \$	Company 30 Jun 2020 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	1,616,229	296,486
Trade receivables	7	1,017,692	46,402
Other receivables	8	2,127,541	208,206
Inventory	9	2,461,227	-
Financial Assets at Amortised cost	10	-	2,400,000
<b>Total current assets</b>		<b>7,222,689</b>	<b>2,951,094</b>
<b>Non-current Assets</b>			
Property, plant and equipment	11	4,030,155	5,383
Right of use assets	12	6,144,827	3,689
<b>Total non-current assets</b>		<b>10,174,981</b>	<b>9,072</b>
<b>Total assets</b>		<b>17,397,671</b>	<b>2,960,166</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	13	2,663,510	84,097
Borrowings	14	1,004,752	-
Lease Liabilities	15	691,261	3,710
Current Income tax Liability		-	15,310
<b>Total current liabilities</b>		<b>4,359,523</b>	<b>103,117</b>
<b>Non-current Liabilities</b>			
Borrowings	14	253,895	-
Lease liabilities	15	5,792,426	-
<b>Total non-current liabilities</b>		<b>6,046,321</b>	<b>-</b>
<b>Total liabilities</b>		<b>10,405,844</b>	<b>103,117</b>
<b>Net assets (liabilities)</b>		<b>6,991,827</b>	<b>2,857,049</b>
<b>Equity</b>			
Issued capital	16	10,725,844	2,910,196
Reserves	18	(3,092,046)	-
Retained profits/ (Accumulated Losses)	19	(641,972)	(53,147)
<b>Total Equity</b>		<b>6,991,827</b>	<b>2,857,049</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

	<b>Note</b>	<b>Consolidated 30 Jun 2021 \$</b>	<b>Company 30 Jun 2020 \$</b>
<b>Revenue</b>	3	10,469,612	24,000
Cost of goods sold		(6,370,123)	-
Gross profit		4,099,489	24,000
<b>Other Income</b>	4	758,490	168,367
<b>Expenses</b>			
Marketing expenses		(439,707)	-
Employment expenses		(1,891,235)	(56,177)
Repairs and maintenance expenses		(227,279)	-
Occupancy costs		(467,804)	(1,467)
Depreciation expenses	5	(1,579,547)	(2,070)
Finance costs		(341,781)	(51)
Corporate and administration expenses		(344,290)	(36,170)
IPO related expenses		(355,990)	(122,782)
<b>Profit/ (Loss) before income tax expense from continuing operations</b>		(789,654)	(26,350)
Income tax expense	2	194,768	(15,310)
Profit/ (Loss) after income tax expense for the year attributable to the owners of Australia Sunny Glass Group Ltd		(594,886)	(41,660)
<b>Other comprehensive income, net of tax</b>			
Foreign currency translation		6,061	-
<b>Total comprehensive income/ (Loss) for the year attributable to the owners of Australia Sunny Glass Group Ltd</b>		<b>(588,824)</b>	<b>(41,660)</b>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

# Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

	Issued Capital \$	Reserves \$	(Accumulated Losses) \$	Total Equity \$
<b>Balance at 1 July 2019 for the Company</b>	2,910,196	-	(11,487)	2,898,709
Profit/ (Loss) after income tax expense for the year	-	-	(41,660)	(41,660)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(41,660)</b>	<b>(41,660)</b>
<b>Balance at 30 June 2020 for the Company</b>	<b>2,910,196</b>	<b>-</b>	<b>(53,147)</b>	<b>2,857,049</b>
<b>Balance at 1 July 2020 for the Company</b>	<b>2,910,196</b>	<b>-</b>	<b>(53,147)</b>	<b>2,857,049</b>
Profit/ (Loss) after income tax expense for the year	-	(3,092,046)	(588,824)	(3,680,870)
Share issue	8,085,648			8,085,648
Cost of share issue	(270,000)		-	(270,000)
<b>Total comprehensive income/ (Loss) for the year</b>	<b>7,815,648</b>	<b>(3,092,046)</b>	<b>(588,824)</b>	<b>4,134,778</b>
<b>Balance as at 30 June 2021 for the Consolidated Entity</b>	<b>10,725,844</b>	<b>(3,092,046)</b>	<b>(641,972)</b>	<b>6,991,827</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Consolidated Statement of Cash Flows

For the year ended 30 June 2021

	Notes	Consolidated 30 Jun 2021 \$	Company 30 Jun 2020 \$
<b>Cash Flow from operating activities</b>			
Investment income (net of GST)		-	146,217
Receipts from customers (incl GST)		7,884,888	(15,864)
Payments to suppliers and employees (inclusive of GST)		(14,250,733)	(47,139)
Government grants and tax incentives received		740,217	
Interest received		1,330	6,840
Interest paid		(322,205)	-
Income taxes paid		194,768	-
<b>Net cash from operating activities</b>		<b>(5,751,734)</b>	<b>90,054</b>
<b>Cash Flow from investing activities</b>			
Payments for property, plant and equipment		(7,614,759)	(9,072)
Proceeds from sale for investments		2,400,000	1,900,000
Payments for investments		-	-
Loan advanced to Sydney Sunny Glass Pty Ltd		-	(2,400,000)
<b>Net cash (used in) investing activities</b>		<b>(5,214,759)</b>	<b>(509,072)</b>
<b>Cash flow from financing activities</b>			
Proceeds from the issue of shares		4,521,503	-
Payment for share issue costs		(355,990)	
Proceeds from borrowings		8,120,724	-
<b>Net cash provided by/(used in) financing activities</b>		<b>12,286,237</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,319,743</b>	<b>(419,018)</b>
Cash and cash equivalents at the beginning of the financial year		296,486	715,504
<b>Cash and cash equivalents at the end of the financial year</b>	6	<b>1,616,229</b>	<b>296,486</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

## Note 1. Significant accounting policies

### Statement of compliance

These financial statements for the year ended 30 June 2021 have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

The financial statements for the year ended 30 June 2020 cover Australia Sunny Glass Group Limited as an individual entity. The financial statements for the year ended 30 June 2021 cover Australia Sunny Glass Group Limited (**Australia Sunny Glass Group, Company or Parent Entity**) as a consolidated entity consisting of Australia Sunny Glass Group and its subsidiaries (the **Group or Consolidated Entity**). The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

The principal accounting policies adopted are consistent with those of the previous financial period and corresponding interim reporting period, unless otherwise stated.

### New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### Comparatives

The comparative financial information reflects that of Australia Sunny Glass Group Limited (formerly known as Ventus Aqua Ltd) as an individual entity for the year ended 30 June 2020.

### Inventories

Inventory only consists of raw materials and are stated at the lower of cost and net realisable value on a 'weighted average' basis. Cost comprises of direct materials and delivery costs, direct labour for raw material handling, import duties and other taxes. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a double accelerated declining value method to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	3-10 years
Plant and equipment	1-15 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

## **Revenue recognition**

### Construction Revenue

The Group derives revenue from construction of buildings projects. The construction of each project is generally taken as one performance obligation. Where contracts are entered with several performance obligations, the total transaction price is allocated to each performance obligation based on stand-alone selling prices. As per normal practice, the transaction price of a project is fixed at the start containing bonus and penalty elements based on performance construction criteria known as variable consideration. The performance obligation is fulfilled over time and as such revenue is recognised over time. As work is performed on the assets being constructed, they are controlled by the customer and have no alternative use for the Group. Revenue earned is recognised on the measured input of each process based on resources consumed per appraisals that are agreed with the customer on a regular basis.

### Variable Consideration

Contracts may include performance bonuses or penalties assessed against the timeliness or cost effectiveness of work completed or other performance related KPIs. Revenue recognition of variable consideration is only satisfied when there are no uncertainties to its entitlement, this is known as the "constraint" requirements.

The Group assess the constraint requirements on a periodic basis when estimating the variable consideration to be included in the transaction price. The estimate is based on all available information including historic performance. Where modifications to contracts are made, the transaction price is updated to reflect these. Where the modification price is not confirmed, an estimate is made of the amount of revenue to recognise whilst also considering the constraint requirement.

### Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

### Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

### Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.



### **Research and Development tax incentive benefit**

Research and Development tax incentive benefit includes Research and Development ("R&D") concessions received or receivable in respect of eligible R&D as registered with Ausindustry. The R&D concession is brought to account when the eligible R&D expenditure has been identified and the resulting expected R&D incentive amount receivable has been quantified.

The R&D concession amount is recognised in other income as it relates to spending that has been expensed to the statement of profit or loss and other comprehensive income.

### **Acquisition of subsidiaries**

The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

### **Share-based payment transactions**

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Share based payments to other parties are valued based on the value of services provided or goods acquired if reliably measured.

### **Going Concern**

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

### **Estimates and judgements**

#### Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

#### Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. The Consolidated Entity reviews intangible assets for impairment once a year or more frequently if events or changes in circumstances indicate that there is impairment.

#### Share based payments

Share-based payments are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

### **Cash and cash equivalents**

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently at amortised cost less any expected credit losses recognised. Collectability of trade receivables is reviewed on an ongoing basis. The Consolidated Entity applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Consolidated Entity.

### **Investments and other financial assets**

#### ***Classification***

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI), or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Consolidated Entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Consolidated Entity has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Consolidated Entity reclassifies debt investments when and only when its business model for managing those assets changes.

#### ***Measurement***

At initial recognition, the Consolidated Entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

#### ***Equity instruments***

The Consolidated Entity subsequently measures all equity investments at fair value through profit and loss. In this case all fair value gains and losses on equity investments are recognised in the profit and loss. Dividends from such investments are also recognised in profit or loss as other income when the Consolidated Entity's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the Statement of Profit or Loss and Other Comprehensive Income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### **Contributed equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### **Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

### **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**Note 2. Taxation**

	<b>Consolidated 30 Jun 2021 \$</b>	<b>Company 30 Jun 2020 \$</b>
<b><i>Income Tax Expense</i></b>		
- Current tax expense	\$0	\$15,310
- Deferred tax expense	-	-
- Under/(over) provision	(\$194,768)	\$0
	(\$194,768)	\$15,310
Reconciliation of income tax expense to prima facie tax:		
Accounting profit/(loss) before income tax	(\$783,593)	(\$26,350)
At the statutory income tax rate of 26% (2020: 30%)	(\$203,734)	(\$7,905)
- Non deductible expenditure	\$202,289	\$0
- <b>Non assessable income</b>	(\$70,243)	\$0
- <b>Temporary differences not recognised</b>	\$71,689	\$23,215
- Under/(over) provision	(\$194,768)	\$0
Income tax reported in statement of comprehensive income	(\$194,768)	\$15,310
Deferred income tax		
Deferred income tax relates to the following:		
<i>Net deferred income tax assets</i>		
- Tax losses	\$272,996	\$0
- Other	\$217,867	\$53,661
<i>Net deferred tax assets not recognised</i>	(\$490,863)	(\$53,661)
Net deferred tax asset/(liability)	-	-

	Consolidated 30 Jun 2021 \$	Company 30 Jun 2020 \$
<b>3. Revenue</b>		
Revenue from construction contracts and sale of goods	10,469,612	24,000
<b>Total</b>	<u>10,469,612</u>	<u>24,000</u>

<b>4. Other income</b>		
Interest Received	1,330	168,367
Research and development grant received	220,168	-
Other government incentives	<u>520,050</u>	<u>-</u>
Other income	16,943	-
<b>Total</b>	<u>758,490</u>	<u>168,367</u>

All revenues are earned in Australia.

<b>5. Depreciation Expenses</b>		
Furniture & office equipment	3,404	840
Motor vehicles	87,646	-
Factory equipment	765,089	-
Right of use assets	<u>723,408</u>	<u>1,230</u>
<b>Total</b>	<u>1,579,547</u>	<u>2,070</u>

**6. Current Assets - Cash and Cash Equivalent**

	30 Jun 2021 \$	30 Jun 2020 \$
Cash at bank	1,526,854	296,486
Term deposits	<u>89,375</u>	<u>-</u>
<b>Total</b>	<u><u>1,616,229</u></u>	<u><u>296,486</u></u>

**7. Current Assets - Trade Receivables**

	30 Jun 2021 \$	30 Jun 2020 \$
Trade receivables	1,302,593	46,402
Provision for Doubtful Debts	<u>(284,901)</u>	<u>-</u>
<b>Total</b>	<u><u>1,017,692</u></u>	<u><u>46,402</u></u>

Note: The carrying value of trade receivables reflect their Fair Value due to their short term nature.

**8. Current Assets - Other Receivables**

	30 Jun 2021 \$	30 Jun 2020 \$
Prepayments <sup>1</sup>	16,109	196,868
GST Paid/Received	(47,884)	11,191
Deposits to suppliers	<u>276,005</u>	<u>-</u>
Other receivables	<u>1,883,311</u>	<u>146</u>
<b>Total</b>	<u><u>2,127,541</u></u>	<u><u>208,206</u></u>

1. June 20 prepayment was paid to IPO lead manager for IPO related expenses

## 9. Inventories

Inventory Raw Materials	2,461,227	-
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Note: Inventory is recorded at the lower of cost and Net Realisable Value. There has been nil write down of inventory to Net Realisable Value during the year ended 30 June 2021. (2020: nil)

## 10. Financial Assets at Amortised Cost

	30 Jun 2021	30 Jun 2020
	\$	\$
Loan to Sydney Sunny Glass (Note)	-	2,400,000
<b>Total</b>	<b>0</b>	<b>2,400,000</b>

Note: This is a short term interest free, unsecured loan provided to Sydney Sunny Glass Pty Ltd which becomes a fully owned subsidiary of the Group post year end. Due to this acquisition, the amount has been eliminated on consolidation.

## Significant estimates and judgements

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

## 11. Non-Current Assets - Property, Plant and Equipment

	Consolidated 30 Jun 2021	Company 30 Jun 2020
	\$	\$
Plant & Equipment	4,865,868	-
Less: Accumulated Depreciation	(1,279,186)	-
	<u>3,586,682</u>	<u>-</u>
Office Furniture & Equipment	39,089	6,223
Less: Accum Dep Furniture & Equipment	(26,094)	(840)
	<u>12,995</u>	<u>5,383</u>
Motor Vehicles	792,081	-
Less: Accumulated Depreciation	(361,603)	-
	<u>430,478</u>	<u>-</u>
<b>Total Plant and Equipment</b>	<b>4,030,155</b>	<b>5,383</b>
<b>Total Property, Plant and</b>	<b>4,030,155</b>	<b>5,383</b>

## Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Plant & Equipment	Office Furniture & Equipment	Motor Vehicles	Total
Balance at 1 July 2019	-	-	-	-
Additions	-	6,223	-	6,223
Disposals	-	-	-	-
Depreciation expense	-	840	-	840
Balance at 30 June 2020	-	5,383	-	5,383
Additions	4,865,868	32,866	792,081	5,690,815
Disposals	-	-	-	-
Depreciation expense	1,279,186	25,254	361,603	1,666,043
Balance at 30 June 2021	3,586,682	12,995	430,478	4,030,155

## 12. Non-Current Assets - right-of-use assets

	Consolidated 30 Jun 2021	Company 30 Jun 2020
	\$	\$
Land and buildings - right-of-use	7,322,246	4,919
Less: Accumulated Depreciation	(1,177,419)	(1,230)
	<u>6,144,827</u>	<u>3,689</u>

## 13. Trade and other payables

	30 Jun 2021	30 Jun 2020
	\$	\$
Trade payables	(2,361,005)	(70,742)
Other payables	(302,505)	(13,356)
<b>Total</b>	<u>(2,663,510)</u>	<u>(84,097)</u>

Note: The carrying value of trade payables reflect their Fair Value due to their short term nature.

## 14. Borrowings

	30 Jun 2021	30 Jun 2020
	\$	\$
Current		
Motor vehicles	(70,414)	-
NAB trade financing	(934,338)	-
	<u>(1,004,752)</u>	<u>-</u>
Non Current		
Motor vehicles	(253,895)	-

## 15. Leases

### AASB 16 Leases

The Consolidated Entity has adopted AASB 16. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

When applying AASB 16, the Consolidated Entity has applied the following practical expedients:

- applying a single discount rate to the portfolio of leases with reasonably similar characteristics;
- accounting for leases with a remaining lease term of 12 months as at 1 July 2020 as short-term leases;
- excluding any initial direct costs from the measurement of right-of-use assets;
- using hindsight in determining the lease term when the contract contains options to extend or terminate the lease; and
- not apply AASB 16 to contracts that were not previously identified as containing a lease.



	<b>Consolidated 31 Jun 2021 \$</b>	<b>Company 30 Jun 2020 \$</b>
<b>Current Lease Liabilities</b>		
Right of use - building	(691,261)	(3,710)
	<u>(691,261)</u>	<u>(3,710)</u>
<b>Non-current leases</b>		
Right of use - building	(5,792,426)	-
	<u>(5,792,426)</u>	<u>-</u>
<b>Total Leases</b>		
Right of use - building	(6,483,687)	(3,710)
	<u>(6,483,687)</u>	<u>(3,710)</u>

## 16. Issued Capital

	<b>30 Jun 2021 Number</b>	<b>30 Jun 2021 \$</b>
Balance at beginning of the year	31,583,334	2,910,196
Issue of shares	54,711,502	8,085,648
Share Issue Costs		(270,000)
<b>Total</b>	<u>86,294,836</u>	<u>10,725,844</u>

### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Group in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Group does not have a limited amount of authorised capital. There was no movement of ordinary shares for the year.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

## 17. Acquisition of Sydney Sunny Glass Pty Ltd

The acquisition has been accounted for under AASB 2 Share Based Payments given the acquisition did not meet the definition of a business combination under AASB 3 Business Combinations. Sydney Sunny Glass Pty Ltd (**SSG**) is an operating business importing glass from China and manufacturing glass to the specific requirements of customers. The Company acquired 100% shares in Sydney Sunny Glass Pty Ltd (the Acquiree) by issuing 36,139,920 ordinary shares of the Company to the Acquiree's shareholders, scrip for scrip on 24 July 2020.

Purchase consideration:

36,139,920 ordinary shares \$2,035,080

In a separate transaction, the Company issued shares to BauMart Holdings Limited (ASX:BMH) to acquire the glass manufacturing equipment which SSG currently leases and have in their premises in Sydney.

Asset Acquisition:

11,666,667 ordinary \$3,859,091

With Australia Sunny Glass Group holding 100% of the share capital of SSG and the related glass manufacturing equipment, the Company completed its IPO on the NSX on 31 July 2020 and raised \$2,071,477 (before costs) in capital by issuing 6,904,915 ordinary shares.

## 18. Reserves

	Consolidated 30 Jun 2021	Company 30 Jun 2020
	\$	\$
<b>Assets acquisition reserve</b>	<u>(3,474,146)</u>	<u>-</u>
This is the pre-acquisition accumulated losses of the acquired subsidiary, Sydney Sunny Glass Pty Ltd		
<b>Share based payment reserve</b>		
Investment appraisal	150,000	-
Fund raising	180,000	-
Professional services	52,100	-
	<u>382,100</u>	<u>-</u>

## 19. Retained Profits/(Accumulated Losses)

	30 Jun 2021	30 Jun 2020
	\$	\$
Accumulated losses at the beginning of the financial year	(53,147)	(11,487)
Profit/(Loss) after income tax expense for the year	<u>(588,824)</u>	<u>(41,660)</u>
Accumulated losses at the end of the financial year	<u>(641,972)</u>	<u>(53,147)</u>

## 20. Earnings per share

	30 Jun 2021	30 Jun 2020
	\$	\$
Net profit / (loss) for the year	(588,824)	(41,660)
Number of shares issued	86,294,836	31,583,334
<b>EPS (cents per share)</b>	<b>(0.68)</b>	<b>(0.13)</b>

## 21. Risks Management

### General

#### Capital management

The capital of the Group consists of issued capital (shares). The directors aim to maintain a capital structure that ensures the lowest cost of capital available to the entity at the time when funds are obtained. The directors will assess the options available to the Group to issue more shares while taking into account the effect on current shareholder ownership percentages (dilution) or alternatively other forms of funding.

The Group has the following financial instruments:

	<b>Consolidated 30 Jun 2021</b>	<b>Company 30 Jun 2020</b>
Cash at bank and in hand	1,616,229	296,486
Trade and other receivables	1,017,692	46,402
Loan to Sydney Sunny Glass	-	2,400,000
	<u>2,633,921</u>	<u>2,742,888</u>
Trade and other payables	(2,663,510)	(84,097)

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

There is a credit risk relating to the cash and cash equivalents that the Group holds in deposits and loan receivable. The Group does not presently have customers and consequently does not have credit exposure to trade receivables

#### *Exposure to credit risk*

The Group's maximum exposure to credit risk at the reporting date was:

	<b>Consolidated 30 Jun 2021</b>	<b>Company 30 Jun 2020</b>
	\$	\$
Cash at bank	1,616,229	296,486
Other receivables from once-off transactions with third parties	2,127,541	208,206
<b>Total</b>	<u><b>3,743,770</b></u>	<u><b>504,691</b></u>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	Counterparties with external credit rating <sup>(1)</sup> AA-(S&P)	Other third parties without external credit rating No Default	Total
<b>Credit quality of financial assets</b>			
<b>At 30 June 2021</b>			
Cash at bank	1,616,229	-	1,616,229
Other receivables from once-off transactions with third parties <sup>(2)</sup>	-	2,127,541	2,127,541
	<b>1,616,229</b>	<b>2,127,541</b>	<b>3,743,770</b>
<b>At 30 June 2020</b>			
Cash at bank	296,486	-	296,486
Other receivables from once-off transactions with third parties <sup>(2)</sup>	-	208,206	208,206
	<b>296,486</b>	<b>208,206</b>	<b>504,691</b>

(1) The equivalent S&P rating of the financial assets represents that rating of the counterparty with whom the financial asset is held rather than the rating of the financial asset itself.

(2) Other receivables represent sundry debtors and loan to other entities.

#### Allowance for expected credit loss

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group's individual assessment of an ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

For loans and other receivables, the Group assesses the contractual requirements of the loan and assesses the counter party's performance under the instrument terms. Where there is significant variation between the contractual cash flows and actual cash flows, the Group will assess the counterparties ability to repay the debts by requesting financial information and performing an assessment of the credit worthiness of the Counterparty. Where objective evidence shows that the counterparty may be unable to repay part or all of the debt, the Group will record an expected credit loss up to the level of the expected loss taking into account the Group's ability to recover its debts through the operation of guarantees and or security.

No expected credit loss was recognised by the Group for the financial year (2020: \$Nil).

#### Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

#### 22. Remuneration of the auditor

The following fees were paid or payable for services provided by BDO, the auditor of the Group, its network firms and unrelated firms

	Consolidated 30 Jun 2021 \$	Company 30 Jun 2020 \$
BDO (WA) Pty Ltd		
Audit of the financial statements	51,000	10,000
Tax and other consulting works	15,000	39,000
	<u>66,000</u>	<u>49,000</u>

#### 23. Events arising since the end of the reporting period

The Group acquired 100% shares in Sydney Sunny Glass Pty Ltd (the Acquiree) by issuing 36,139,920 ordinary shares of the Group to the Acquiree's shareholders, script for script on 24 July 2020. The Group also acquired glass processing equipments from Baumart Holdings Ltd (ASX: BMH) by issuing 11,666,667 ordinary shares @ \$0.30 per share. The Group was then listed on the National Stock Exchange (NSX) on 28 July 2020 through an Initial Public Offering (IPO) and raised a total amount of \$2,071,477.12 with the IPO. The Group subsequently appointed Mr. Sunny Chi as the Managing Director of the group and changed its name to Australia Sunny Glass Group Limited. The Group also subsequently set up a new subsidiary in Victoria to manage its facade business.

#### 24. Contingent liabilities

There was no contingent liabilities as at end of the financial year.

#### 25. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Given the nature of the entity, its size and current operations, management does not treat any part of the entity as a separate operating segment. Internal financial information used by the Group's decision makers is presented on a "whole of entity" manner without dissemination to any separately identifiable segments.

The entity's management operates the business as a whole without any special responsibilities for any separately identifiable segments of the business.

#### 26. Commitments

The Company has a contract with its supplier to purchase facade materials worth a total of RMB 23,500,000 (approximately \$4,800,000) for its Box Hill Project in Victoria.

## 27. Related Party Transactions

### *Key management personnel compensation*

The following were key management personnel of the Group at any time during the year and unless otherwise indicated were key management personnel for the year:

Mr Sok Kiang Teoh (Executive Director)

Ms Seok San (Susan) Tan (Non-Executive Director)

Mr Michael Liew (Non-executive Director)

Mr Shengqiang (Sunny) Chi (Executive Director - appointed 7 August 2020)

The aggregate compensation made to Directors and other members of Key Management Personnel of the Group

	<b>Consolidated 30 Jun 2021</b>	<b>Company 30 Jun 2020</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	325,000	45,000
<b>Total</b>	<b>325,000</b>	<b>45,000</b>