

**AUSTRALIA SUNNY
GLASS GROUP
LIMITED**

FORMERLY VENTUS
AQUA LIMITED

ACN 632 790 660



ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

CONTENTS

	Page
MANAGING DIRECTOR'S LETTER.....	1
DIRECTORS' REPORT.....	2
AUDITOR'S INDEPENDENCE DECLARATION.....	10
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	11
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	12
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	13
CONSOLIDATED STATEMENT OF CASH FLOWS.....	14
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....	15
DIRECTORS' DECLARATION.....	35
INDEPENDENT AUDITOR'S REPORT.....	36
ADDITIONAL INFORMATION.....	39

CORPORATE DIRECTORY

Board of Directors

Shengqiang (Sunny) Chi	Managing Director
Sok Kiang Teoh	Executive Director
Seok San (Susan) Tan	Non-Executive Director
Michael Liew	Non-Executive Director

Registered Office

15 McCabe Street
North Fremantle, Western Australia 6159

Principal Place of Business

Western Australia:
82 Belmont Avenue
Rivervale, Western Australia 6103
Telephone: +61 8 6389 2688

New South Wales:
239-251 Woodpark Road
Smithfield New South Wales 2164
Telephone: +61 2 9756 6880

Victoria:
187 Osbourne Ave
Clayton South Victoria 3169

Contact Details

Email: info@sunnyglass.com.au
Website: www.asgg.com.au

Company Secretary

Natalie Teo

Nominated Adviser

Blackwall Legal LLP
Level 26, 140 St Georges Terrace
Perth, Western Australia 6000

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco, Western Australia 6008

Share Registry

Advanced Share Registry Ltd
110 Stirling Highway
Nedlands, Western Australia 6009

Telephone: +61 8 9389 8033

NSX Code

AG1

Dear Fellow Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report of Australia Sunny Glass Group Limited for the year ended 30 June 2021.

The Company made several very significant achievements during this year. These achievements include:

- The acquisition of the business of Sydney Sunny Glass Pty Ltd and incorporating an integrated and fully automated glass processing plant in a 20,000 sqm manufacturing and distribution facility located in Smithfield, New South Wales
- Raising \$2.1m as new capital and successfully gaining admission to the Official List of the National Stock Exchange of Australia;
- Achieving revenue for the year of \$10.5m which, encouragingly, included revenue of \$7.6m and a profit after tax of \$1.2m for the second half of FY21 following revenue of \$2.9m and a loss after tax of \$2.1m for the first half of FY21; and
- The establishment of a 9,000 sqm warehousing and distribution centre in Victoria to manage the \$12.25m Panorama Boxhill development project and to further expand its business in Victoria.

These achievements have laid a solid foundation for the Group to grow its reputation as one of Australia's leading manufacturer and supplier of a comprehensive range of custom built and specialist architectural glass products to the commercial and residential building industry.

While the Group's business has, like that of its competitors, been adversely affected by the COVID-19 pandemic involving lockdowns and movement restrictions, we are encouraged by the rapid and high rate of COVID-19 vaccinations being accomplished which should, by the end of 2021, return the economy and market in Australia to a more positive setting. Meanwhile, the Group's pipeline of new projects is strong and we remain positive that a number of significant projects will be won in the coming year.

We are also very pleased to report that the Group is continuing to successfully manage the \$12.25m glass supply contract for the Panorama development project, a 31-floors, 380 apartments residential development located in Box Hill, a suburb 14 kms east of the Melbourne's CBD. The involvement in this project has given the Group substantial credibility in the management and delivery of projects of this scale.

On behalf of the Board of Directors, I expressed the Company's sincere appreciation to our staff and subcontractors who have made our accomplishments possible. We also thank our shareholders for their continuing support and look forward to another successful year ahead.

Yours sincerely



Shengqiang (Sunny) Chi
Managing Director

The Directors present their report together with the financial statements, on the Consolidated Entity (referred to hereafter as the 'Consolidated Entity') consisting of Australia Sunny Glass Group Limited (formerly Ventus Aqua Limited, referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

Directors' Information

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated :

Mr Shengqiang (Sunny) Chi, Executive Director (Appointed 07-08-2020)

Mr Chi is the founder of Sydney Sunny Glass Pty Ltd, a business acquired by the Company during the year. He holds a degree in Electrical Engineering Technology and Automation and has over 25 years' experience in the glass products industry, holding roles as general manager of production, planning and quality control and finally as the regional manager of sales and marketing of a glass manufacturing business listed on the Hong Kong Stock Exchange. Mr Chi was not a director of any other listed entities in the previous 3 financial years.

Mr Sok Kiang Teoh, Executive Director

Mr Teoh has a degree in accounting and finance and is a member of CPA Australia. He has over 20 years of senior management experience with roles as a chief financial officer and director of finance for various listed companies in Malaysia, the U.S.A., and Australia. Mr Teoh was not a director of any other listed entities in the previous 3 financial years.

Ms Seok San (Susan) Tan, Non-Executive Director (Appointed 01-06-2021), Executive Director (Ceased 31-05-2021)

Ms. Tan has over 15 years' experience in roles in the insurance, risk management, financial planning, and real estate industries in Malaysia. Ms. Tan is actively involved in the not-for-profit sector in Malaysia, with roles as Government Social Worker under the Welfare Department focusing on regulatory reporting and corporate governance. Ms. Tan is fluent in English, Mandarin, Malay languages, Cantonese, and a number of Chinese dialects. Ms. Tan is a citizen of Malaysia but resides in Perth and has applied for permanent residency in Australia. Ms Tan was not a director of any other listed entities in the previous 3 financial years.

Mr Michael Anthony Liew, Non-Executive Director

Mr. Liew has a degree in Information Technology and an MBA from Curtin University. For over 15 years, he held senior management positions with major Australian resource companies such as BHP Billiton Limited, Chevron Australia, and Rio Tinto Limited. He was also a senior management consultant with PWC with a specific focus on mining operations. Between 1999 and 2013, he was a group finance manager and senior commercial manager with Telstra Corporation with particular responsibility for investment and acquisition activities. He has a strong grounding in corporate compliance issues and standards from his career with top-tier and ASX-listed entities. Mr. Liew is a citizen of Australia and currently resides in Melbourne. Mr Liew was not a director of any other listed entities in the previous 3 financial years.

Company secretary

Ms Natalie Teo

Ms Teo graduated with a Bachelor of Commerce majoring in Marketing and Management and a Masters in Accounting from Curtin University in Western Australia. She also holds a Graduate Diploma in Applied Corporate Governance with the Governance Institute of Australia. Ms Teo is a Chartered Secretary and an Associate of the Governance Institute of Australia. She is currently the secretary to several ASX-listed entities and is working with a firm which provides company secretarial and accounting services to principally listed entities.

Directors' Interests

The relevant interests of each Director in the securities of the Company at the date of this report are as follows:

Director	Shares	Options
Mr Shengqiang (Sunny) Chi ¹	34,801,532	-
Mr Sok Kiang Teoh	1,500,000	-
Ms Seok San (Susan) Tan	12,000,000	-
Mr Michael Liew	-	-

Notes in relation to the above table:

1. Mr Chi was appointed on 07 August 2020.

Directors' Meetings

Director	Held while Director	Attended
Mr Shengqiang (Sunny) Chi ¹	3	3
Mr Sok Kiang Teoh	3	3
Ms Seok San (Susan) Tan	3	3
Mr Michael Liew	3	3

Notes in relation to the above table:

1. Mr Chi was appointed on 07 August 2020.

PRINCIPAL ACTIVITIES

During the financial year the principal continuing activities of the Consolidated Entity consisted of:

- the manufacture and supply of a comprehensive range of custom built and specialist architectural glass products to the commercial and residential building industry in Australia, predominantly in the east coast markets of New South Wales and Victoria;
- the operation of a fully automated and integrated glass processing plant in a 20,000 sqm manufacturing facility in Smithfield, New South Wales;
- the provision of design and glass supply solutions for structural building facades through the operation of a 9,000 sqm warehousing and distribution centre in Victoria; and
- the provision of integrated glass supply solutions on a project basis to developers and construction companies.

REVIEW OF OPERATIONS

COVID-19 Pandemic

The Group's business is alert to the economic disruption and uncertainty brought about by the COVID-19 pandemic (the "Pandemic") particularly the effect it is having on the construction and property industry in Australia. The Group's key markets in New South Wales and Victoria, are being hampered by ongoing lockdowns and movement restrictions. Our suppliers, based in China, has been affected by government-imposed COVID-19 movement restrictions, with production capacity limitations and shipping delays.

Group Operations

Despite the challenges posed by the COVID-19 pandemic, in its first year of operations of its business, a Group Revenue of \$10.47m for FY21 was recorded. Gross Profit achieved was \$4.10m for the year. The loss after income tax of \$0.91m for the year included \$0.36m incurred as a non-recurrent cost relating to the Company's listing on the National Stock Exchange of Australia ("NSX").

During the year, the Company acquired 100% of the shares in Sydney Sunny Glass Pty Ltd by the issue of 36,139,920 fully paid ordinary shares of the Company. The Company also acquired an integrated and fully automated glass processing plant by the issue of 11,666,667 fully paid ordinary shares. These investments

accompanied a capital raising of \$2,071,477 before costs by the issue of 8,285,908 fully paid ordinary and the Company successfully gained admission to the Official List of the National Stock Exchange of Australia.

Encouragingly, the Group recorded revenue of \$7.6m and a profit after tax of \$1.2m for the second half of FY21 following a revenue of \$2.9m and a loss after tax of \$2.1m for the first half of FY21.

The Company established a new wholly owned subsidiary, Melbourne Sunny Glass Façade Pty Limited in August 2020 to manage the \$12.25m Panorama Boxhill development project and to further expand its business in Victoria. The Group's revenue for the year included \$7.50m from the Panorama Boxhill development project.

The Group's operations in Melbourne comprises a 9,000 sqm warehousing and distribution centre in Victoria. It rented a warehouse/office of with a land size of 9,300 sqm and building area of 4,214 sqm. At the time of this report the project progress is at 82.3% of completion.

During the year, the Group incorporated into its operations the fully automated and integrated glass processing plant in a 20,000 sqm manufacturing and distribution facility in Smithfield, New South Wales.

Strategic Business Review

During the latter part of the year, the Directors commenced a strategic business review of the Group's operations with the broad objective of pursuing expansion opportunities and other markets to optimise shareholder value. The Group will also examine opportunities to grow its operations into other part of the vertical value chain to take advantage of its extensive experience and contacts in the glass manufacturing and business. The Directors have also commenced a review of various strategies to improve the corporate and funding perspective of its business.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than the events noted in the "Review of Operations" above, there were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

EVENTS SUBSEQUENT TO THE REPORTING DATE

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Consolidated Entity, the results of these operations, or the state of affairs of the Consolidated Entity in future financial years.

The impact of the Coronavirus (COVID-19) pandemic is ongoing, it has impacted the Group's NSW operations recently. The recent lock down in NSW has impacted the Group's operation due to the restriction of travelling across LGA and this restriction had delayed the subsidiary's ability to fulfill its delivery commitments to its customers. The Group's operations in Victoria also had been impacted by the lock down and caused its shipments from supplier in China to be delayed. However the Company is making its best efforts in order to minimise the impact on its Box Hill project.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Consolidated Entity will continue to develop its principal activities as set out above in "Principal activities" and "Review of operations".

ENVIRONMENTAL REGULATION

The Directors are not aware of any particular and significant environment regulation under a law of the Commonwealth, State or Territory relevant to the Consolidated Entity.

CORPORATE GOVERNANCE

The Company's 2021 Corporate Governance Statement can be found on the Company's website: www.asgg.com.au.

DIVIDENDS

No dividends were paid or declared during the year (2020: Nil).

OPTIONS

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company has agreed to indemnify the Directors of the Company and the Company Secretary against all liabilities to any other person (other than the Company) that may arise from their position as Directors and Officers of the Company, except where the liability arises out of conduct involving lack of good faith.

The Company has paid premium during or after the financial year in respect of insuring the Directors and Officers of the Company for these indemnities.

INSURANCE

The Company paid a premium during the year in respect of a director and officer liability insurance policy, insuring the Directors, the Company Secretary, and all executive officers of the Company against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The Directors have not included details of the nature of the liabilities covered in respect of the directors' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

INDEMNIFICATION AND INSURANCE OF AUDITOR

The Company has not, during or since the year indemnified or agreed to indemnify the auditor of the Company or any related entity against liability incurred by the auditor. During the year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 22 to the consolidated financial statements. Amount paid to the auditor for non-audit services totalled \$15,000 for the year (\$39,000 in 2020).

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 22 to the consolidated financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF BDO (WA) PTY LTD

There are no officers of the Company who are former partners of BDO (WA) Pty Ltd.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is partly for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

REMUNERATION REPORT - AUDITED

The remuneration report, which has been audited, outlines the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

For the purposes of this report, key management personnel of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Remuneration

(a) Remuneration policies and framework

(i) Principles of remuneration

The remuneration structures explained below are competitively set to attract, motivate and retain suitably qualified and experienced candidates, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders. The remuneration structures take into account:

- the capability and experience of the key management personnel;
- the key management personnel's ability to control the achievement of strategic objectives; and
- the Company's performance including:
 - the growth in share price; and
 - the amount of incentives within each key management person's compensation.

Given the evaluation and developmental nature of the Company's principal activity, the overall level of compensation does not have regard to the earnings of the Company.

(b) Link between remuneration and performance

The Board of Directors determines the Company's remuneration policy and structure to ensure it aligns with the Company's needs and meet remuneration principles set out in section (c) of this Remuneration Report. Remuneration is not linked to performance using generally accepted measures such as profitability or total shareholder returns but linked to achievement of strategic objectives or service criteria aimed at advancing the goals set out to achieve project outcomes which the Board believes aligns with creation of positive shareholder value.

The key management personnel of the Company include the following Directors :

- Sok Kiang Teoh
- Seok San (Susan) Tan (re-designated from executive to non-executive director on 1 June 2021)
- Michael Liew
- Shengqiang (Sunny) Chi (appointed 7 August 2020)

REMUNERATION REPORT – AUDITED (continued)

Details of the remuneration of the Directors of the Company and key management personnel are set out in the following tables.

Following is the table of remuneration for the year ended 30 June 2021:

Name	Short-term benefits (salaries & fees) \$	Non-monetary (3) \$	Post-employment benefits (Superannuation) \$	Share-based payments (Options) \$	Total \$	Performance Related %
Directors						
Mr Sok Kiang Teoh	120,000	32,120	11,400	-	163,520	-
Mr Shengqiang (Sunny) Chi ⁽¹⁾	150,000	40,471	14,250	-	204,721	-
Ms Seok San (Susan) Tan	55,000	-	5,225	-	60,225	-
Mr Michael Liew	18,333	-	1,742	-	20,075	-
Total	343,333	72,591	32,617	-	448,541	-

Following is the table of remuneration for the year ended 30 June 2020:

Name	Short-term benefits (salaries & fees) \$	Non-monetary (3) \$	Post-employment benefits (Superannuation) \$	Share-based payments (Options) \$	Total \$	Performance Related %
Directors						
Mr Sok Kiang Teoh	40,000	3,077	3,800	-	46,877	-
Ms Seok San (Susan) Tan	5,000	-	475	-	5,475	-
Mr Michael Liew ⁽⁴⁾	-	-	-	-	-	-
Mr Chris Burton ⁽²⁾	-	-	-	-	-	-
Total	45,000	3,077	4,275	-	52,352	-

Notes in relation to the above table:

(1) Mr Chi was appointed on 7 August 2020

(2) Mr Burton resigned on 21 February 2020

(3) Non-monetary remuneration includes annual leave and vehicle fringe benefit.

(4) Michael Liew was paid nil consideration in FY2020 based on the terms in his contract with the company that stated that his fee will only start after the company is listed. This happened at the end of July 2020, so he was paid starting August 2020.

Bonuses

The payment of bonuses is at the discretion of the Board, having regard to the overall performance of the Company and the performance of the individual. At the end of the financial year no bonuses were paid.

Use of remuneration consultants

The Company did not engage the services of a remuneration consultant during the year.

Employment agreement

Executive Directors

The Company has entered into an employment agreement with its Executive Director, Mr Shengqiang (Sunny) Chi, effective from 7 August 2020 (**Employment Agreement**). The Employment Agreement outlines the components of remuneration paid to Mr Chi and will be reviewed on an annual basis. The Employment Agreement specifies the duties and obligations to be fulfilled by Mr Chi in the role of Executive Director. The

Company currently pays to Mr Chi \$150,000 per annum (exclusive of statutory superannuation) for his services.

REMUNERATION REPORT – AUDITED (continued)

In addition, the Company's other Executive Director, Ms Seok San (Susan) Tan, has changed her role from Executive Director to Non-Executive Director effective from 1 June 2021. Ms Tan has given the company a waiver to paying her the director's fee of \$20,000 per annum for her Non-Executive Director's role.

Either Executive Director of Australia Sunny Glass Group Limited (**ASGG**) may terminate the agreement at any time by giving three months' written notice to the Company. Executive Directors have no entitlement to termination payment should they terminate the agreement by written notice. ASGG may, by giving written notice to either Executive Directors, immediately terminate the agreement should a number of specified occurrences happen, including a serious breach of the agreement or serious misconduct. Executive Directors have no entitlement to termination payment in the event of removal for misconduct.

Termination benefits are within the limits set by the Corporations Act 2001 such that they do not require shareholder approval.

Shareholdings

Following is the table of Directors' shareholdings for the year ended 30 June 2021:

30 June 2021	Balance 1 July 2020	Additions	Balance 30 June 2021
Direct Interest			
Directors			
Mr Sok Kiang Teoh	-	-	-
Ms Seok San (Susan) Tan	12,000,000	-	12,000,000
Mr. Michael Liew	-	-	-
Mr Shengqiang (Sunny) Chi ⁽¹⁾	-	15,201,532	15,201,532
	12,000,000	15,201,532	27,201,532
Indirect Interest			
Directors			
Mr Sok Kiang Teoh	1,500,000	-	1,500,000
Ms Seok San (Susan) Tan	-	-	-
Mr. Michael Liew	-	-	-
Mr Shengqiang (Sunny) Chi ⁽¹⁾	-	19,600,000	19,600,000
	1,500,000	19,600,000	21,100,000
Total	13,500,000	34,801,532	48,301,532

Notes in relation to the above table:

(1) Mr Chi was appointed on 7 August 2020.

(2) Additions relates to the shares issued to for Mr Shengqiang (Sunny) Chi and his family for the acquisition of Sydney Sunny Glass Pty Ltd by the group.

REMUNERATION REPORT – AUDITED (continued)

Following is the table of shareholdings for the year ended 30 June 2020:

30 June 2020	Balance 1 July 2019	Additions	Balance 30 June 2020
Direct Interest			
Directors			
Mr Sok Kiang Teoh	-	-	-
Ms Seok San (Susan) Tan	12,000,000	-	12,000,000
Mr. Michael Liew	-	-	-
Mr Chris Burton ⁽²⁾	-	-	-
	12,000,000	-	12,000,000
Indirect Interest			
Directors			
Mr Sok Kiang Teoh	1,500,000	-	1,500,000
Ms Seok San (Susan) Tan	-	-	-
Mr. Michael Liew	-	-	-
Mr Chris Burton ⁽²⁾	500,000	-	500,000
	2,000,000	-	2,000,000
Total	14,000,000	-	14,000,000

Notes in relation to the above table:

(2) Mr Burton resigned on 21 February 2020.

Other Transaction with Key Management Personnel

Key management personnel received benefits in the form of access to motor vehicles during the year.

There were no other transactions with key management personnel and related parties during the year other than reported below.

Loans to key management personnel

There were no loans to key management personnel during the year (2020: nil).

This concludes the Remuneration Report, which has been audited.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Signed in accordance with a resolution of the Director:



Sok Kiang Teoh
Director

30 September 2021
Perth

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF AUSTRALIA SUNNY GLASS GROUP LIMITED

As lead auditor of Australia Sunny Glass Group Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Australia Sunny Glass Group Limited and the entities it controlled during the period.



Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021



	Notes	Consolidated 30 Jun 2021 \$	Company 30 Jun 2020 \$
Assets			
Current Assets			
Cash and cash equivalents	6	1,616,229	296,486
Trade receivables	7	1,017,692	46,402
Other receivables	8	1,983,588	208,206
Inventory	9	2,461,227	-
Financial Assets	10	-	2,400,000
Total current assets		7,078,736	2,951,094
Non-current Assets			
Property, plant and equipment	11	4,005,399	5,383
Right of use assets	12	6,144,826	3,689
Total non-current assets		10,150,225	9,072
Total assets		17,228,961	2,960,166
Liabilities			
Current Liabilities			
Trade and other payables	13	2,849,063	84,097
Borrowings	14	1,019,756	-
Lease Liabilities	15	691,261	3,710
Current Income tax Liability		-	15,310
Total current liabilities		4,560,080	103,117
Non-current Liabilities			
Borrowings	14	238,891	-
Lease liabilities	15	5,792,426	-
Total non-current liabilities		6,031,317	-
Total liabilities		10,591,397	103,117
Net assets		6,637,564	2,857,049
Equity			
Issued capital	16	11,077,944	2,910,196
Reserves	18	(3,474,146)	-
Retained profits/ (Accumulated Losses)	19	(966,234)	(53,147)
Total Equity		6,637,564	2,857,049

The above Consolidated 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



	Notes	Consolidated 30 Jun 2021 \$	Company 30 Jun 2020 \$
Revenue	3	10,469,612	24,000
Cost of goods sold		(6,370,123)	-
Gross profit		4,099,489	24,000
Other Income	4	538,323	168,367
Expenses			
Marketing expenses		(439,707)	-
Employment expenses		(2,076,788)	(56,177)
Repairs and maintenance expenses		(227,279)	-
Occupancy costs		(467,804)	(1,467)
Depreciation expenses	5	(1,574,303)	(2,070)
Finance costs		(341,781)	(51)
Corporate and administration expenses		(268,076)	(36,170)
IPO related expenses		(355,990)	(122,782)
Foreign currency gain/(loss)		6,061	-
Loss before income tax expense from continuing operations		(1,107,755)	(26,350)
Income tax (expense)/benefit	2	194,768	(15,310)
Loss after income tax expense for the year attributable to the owners of Australia Sunny Glass Group Limited		(913,087)	(41,660)
Total comprehensive loss for the year attributable to the owners of Australia Sunny Glass Group Limited		(913,087)	(41,660)
Earnings per share for profit attributable to the owners of Australia Sunny Glass Group Limited		Cents	Cents
Basic and diluted earnings per share		(1.06)	(0.13)

The above Consolidated 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
	\$	\$	\$	\$
Balance at 1 July 2020	2,910,196	-	(53,147)	2,857,049
Profit/ (Loss) after income tax expense for the year	-	-	(913,087)	(913,087)
Total comprehensive income/ (Loss) for the year	-	-	(913,087)	(913,087)
Issue of shares (acquisition of SSG)	2,071,475	-	-	2,035,080
Issue of shares (acquisition of Lisec equipment)	3,859,091	-	-	3,859,091
Issue of shares as part of IPO	2,035,080	-	-	2,071,477
Cost of share issue	(180,000)	-	-	(180,000)
Share-based payments	382,100	-	-	382,100
Acquisition reserves	-	(3,474,146)	-	(3,474,146)
Balance as at 30 June 2021	11,077,944	(3,474,146)	(966,234)	6,637,564
Balance at 1 July 2019	2,910,196	-	(11,487)	2,898,709
Profit/ (Loss) after income tax expense for the year	-	-	(41,660)	(41,660)
Total comprehensive income for the year	-	-	(41,660)	(41,660)
Balance at 30 June 2020	2,910,196	-	(53,147)	2,857,049

The above Consolidated 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 \$
Cash Flow from operating activities			
Receipts from customers (incl GST)		7,962,618	(15,864)
Payments to suppliers and employees (inclusive of GST)		(9,086,865)	(45,069)
Government grants and tax incentives received		520,050	-
Interest received		1,330	6,840
Interest paid		(322,205)	-
Income taxes paid		194,768	-
Net cash from operating activities	29	(730,303)	92,124
Cash Flow from investing activities			
Payments for property, plant and equipment		(625,507)	(6,223)
Proceeds from sale for investments		-	1,900,000
Investment income (net of GST)		-	146,217
Loan advanced to Sydney Sunny Glass Pty Ltd		-	(2,400,000)
Net cash (used in) investing activities		(625,507)	(506,223)
Cash flow from financing activities			
Proceeds from the issue of shares	16	1,801,475	-
Proceeds from borrowings		1,258,647	-
Repayment of ROU Leases		(384,569)	(4,919)
Net cash provided by/(used in) financing activities		2,675,553	(4,919)
Net increase/(decrease) in cash and cash equivalents		1,319,743	(419,018)
Cash and cash equivalents at the beginning of the financial year		296,486	715,504
Cash and cash equivalents at the end of the financial year	6	1,616,229	296,486

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

1. Significant accounting policies

Statement of compliance

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, 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. The following Accounting Standards and Interpretations are most relevant to the Consolidated Entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Consolidated Entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Consolidated Entity's financial statements.

Amendments to AASB 101: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting period beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on its liabilities.

Basis of preparation

These general purpose financial statements 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 International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The comparatives reflect the company's results as a standalone entity while the current year reflects the results of the consolidated group as a result of the acquisition of Sydney Sunny Glass Pty Ltd that occurred on 15 August 2020 and the establishment of Melbourne Sunny Glass Façade Pty Ltd on 20 August 2020.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in notes hereafter.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in note 28.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021



1. Significant accounting policies (*continued*)

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Australia Sunny Glass Group Limited ('Company' or 'Parent Entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Australia Sunny Glass Group Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Australia Sunny Glass Group Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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 Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021



1. Significant accounting policies (*continued*)

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 assesses 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.

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

1. Significant accounting policies (*continued*)

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.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Retirement benefit obligations

All employees of the Consolidated Entity are entitled to benefits from the Consolidated Entity's superannuation plan on retirement, disability or death. The Consolidated Entity has a defined benefit section and a defined contribution section within its plan. The defined benefit section provides defined lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from entities in the Consolidated Entity and the Consolidated Entity's legal or constructive obligation is limited to these contributions.

Share-based payment transactions

The Consolidated Entity measures the cost of equity-settled transactions with suppliers and consultants 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.

Acquisition of subsidiaries

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021



1. Significant accounting policies (*continued*)

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.

The Group has incurred a net loss for the year ended 30 June 2021 of \$913,087 (2020: loss of \$41,660) and had net cash outflows from operating activities of \$730,303 (2020: inflow \$92,124). As at 30 June 2021 the Group had a working capital of \$2,518,656 (2020: \$2,847,977) and cash and cash equivalents of \$1,616,229 (2020: \$296,486).

Given the financials position of the group and forecast expenditure, there is a material uncertainty in relation to the group's ability to remain a going concern.

Management note the following mitigating factors:

- The ongoing Box Hill Project is expected to generate positive cash flows for the group;
- The entity is listed on the NSX and the Group is also working towards capital raising initiatives and the Directors are confident that it will receive sufficient additional funding from major shareholders or other parties if required; and
- Expenditure can be reduced where necessary.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report. Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements or raise additional capital through equity or debts raisings and that the financial reports does not include any adjustments relating to the recoverability and classification or recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern and meet its debts as and when they become due and payable.

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. There were no impairment indicators noted by management for the year ended 30 June 2021.

Estimation of useful lives of assets

The Consolidated Entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Consolidated Entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Consolidated Entity reassesses whether

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021



1. Significant accounting policies (*continued*)

it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Consolidated Entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Share based payments

The Group 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.

Acquisition accounting

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the assets acquired.

Operating segments

Identification of reportable operating segments

The entity's management operates the business as a whole without any special responsibilities for any separately identifiable segments of the business. Therefore the group represents a single operating segment.

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 Company 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 Company.

Investments and other financial assets

Classification

The Company 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 entity's business model for managing the financial assets and the contractual terms of the cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021



1. Significant accounting policies (*continued*)

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 Company 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 Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Company 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 Company 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 Company'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.

1. Significant accounting policies (*continued*)

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 company'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 company'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.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated Entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions

Provisions are recognised when the Consolidated Entity has a present (legal or constructive) obligation as a result of a past event, it is probable the Consolidated Entity will be required to settle the 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 reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021



the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

1. Significant accounting policies (*continued*)

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Consolidated Entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the

weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

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.

2. Taxation

Income Tax Expense

- Current tax expense
- Deferred tax expense
- Under/(over) provision

Consolidated 30 Jun 2021 \$	Company 30 Jun 2020 \$
-	15,310
-	-
(194,768)	-
(194,768)	15,310
(1,107,855)	(26,350)
(288,042)	(7,905)
55,499	-
(13,000)	-
245,7544	23,215
(194,768)	-
(194,768)	15,310
393,776	-
264,255	53,661
(658,031)	(53,661)
-	-
2,960,203	24,000
7,509,409	-
10,469,612	24,000
1,330	6,840
-	161,527
520,050	-
16,943	-
538,323	168,367

Reconciliation of income tax expense to prima facie tax:

Accounting profit/(loss) before income tax

At the statutory income tax rate of 26% (2020: 30%)

- Non deductible expenditure

- Non assessable income

- Temporary differences not recognised

- Under/(over) provision

Income tax reported in statement of comprehensive income

Deferred income tax

Deferred income tax relates to the following:

Net deferred income tax assets

- Tax losses

- Other

Net deferred tax assets not recognised

Net deferred tax asset/(liability)

3. Revenue

Revenue from sale of goods

Revenue from construction contracts

Total

Please note that all revenue is earned in Australia. All revenue from sale of goods is recognised at a point in time. Revenue from construction contracts is recognised over time.

4. Other income

Interest Received

Trust Distribution Received

Other government incentives

Other Income

Total

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021



5. Depreciation Expenses

Furniture & office equipment
Motor vehicles
Factory equipment
Right of use assets

Total

Consolidated 30 Jun 2021 \$	Company 30 Jun 2020 \$
3,404	840
87,646	-
759,845	-
723,408	1,230
1,574,303	2,070

6. Current Assets - Cash and Cash Equivalent

Cash at bank
Term deposits

Total

1,526,854	296,486
89,375	-
1,616,229	296,486

7. Current Assets - Trade Receivables

Trade receivables
Allowance for expected credit loss

Total

1,302,593	46,402
(284,901)	-
1,017,692	46,402

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

There is no interest charge on overdue trade receivables.

The Consolidated Entity has recognised \$284,901 in respect of the expected credit losses for the year ended 30 June 2021. The ageing of the receivables are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2021	2020	2021	2020	2021	2020
Consolidated	%	%	\$	\$	\$	\$
1 to 30 days	2%	0%	623,075	46,402	12,444	-
31 to 60 days	8%	-	215,148	-	17,212	-
61 to 90 days	50%	-	3,160	-	1,580	-
90+ days	55%	-	461,209	-	253,665	-
			1,302,592	46,402	284,901	-

8. Current Assets - Other Receivables

Prepayments¹
GST Paid/Received
Deposits to suppliers
Retention Receivable
Contract Asset
Other receivables

Total

16,109	196,868
28,330	11,191
276,005	-
630,764	-
1,006,868	-
25,423	146
1,983,588	208,206

1. 30 June 2020 prepayments related to pre-paid IPO expenses

9. Inventories

Inventory Raw Materials

2,461,227	-
-----------	---

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)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021



10. Financial Assets

Loan to Sydney Sunny Glass (Note)

Total

Consolidated 30 Jun 2021 \$	Company 30 Jun 2020 \$
-	2,400,000
-	2,400,000

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

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

Plant & Equipment

Less: Accumulated Depreciation

Office Furniture & Equipment

Less: Accumulated Depreciation Furniture & Equipment

Motor Vehicles¹

Less: Accumulated Depreciation

Total Plant and Equipment

Total Property, Plant and Equipment

4,835,868	-
(1,273,942)	-
3,561,926	-
39,089	6,223
(26,094)	(840)
12,995	5,383
792,081	-
(361,603)	-
430,478	-
4,005,399	5,383
4,005,399	5,383

Note 1. This category of assets has been secured against borrowings listed in Note 14.

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	Furniture & Equipment	Motor Vehicles	Total
Balance at 30 June 2020	-	5,383	-	5,383
Additions	4,321,771	11,016	518,124	4,850,911
Disposals	-	-	-	-
Depreciation expense	(759,845)	(3,404)	(87,646)	(850,895)
Balance at 30 June 2021	3,561,926	12,995	430,478	4,005,399
Balance at 1 July 2019	-	-	-	-
Additions	-	6,223	-	6,223
Disposals	-	-	-	-
Depreciation expense	-	(840)	-	(840)
Balance at 30 June 2020	-	5,383	-	5,383

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

Land and buildings - right-of-use

Less: Accumulated Depreciation

Additions to the right-of-use assets during the year were \$7,317,326.

Consolidated 30 Jun 2021 \$	Company 30 Jun 2020 \$
7,322,245	4,919
(1,177,419)	(1,230)
6,144,826	3,689

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021



13. Trade and other payables

Trade payables
Other payables¹

Total

Consolidated 30 Jun 2021 \$	Company 30 Jun 2020 \$
(2,361,005)	(70,742)
(488,058)	(13,355)
(2,849,063)	(84,097)

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

Usually payable within 30 to 90 days and are non-interest bearing.

1. Other payables include BAS liabilities, FBT liabilities, customers deposits and payroll liabilities payable like superannuation, PAYG, annual leave accruals.

14. Borrowings

Current

Motor vehicles
NAB trade financing

Total

Non-Current

Motor vehicles

Total

(85,418)	-
(934,338)	-
(1,019,756)	-
(238,891)	-
(238,891)	-

There are no covenants in relation to borrowings.

15. Leases

Current Lease Liabilities

Right of use - building

(691,261)	(3,710)
(691,261)	(3,710)

Non-current leases

Right of use - building

(5,792,426)	-
(5,792,426)	-

Total Leases

Right of use - building

(6,483,687)	(3,710)
(6,483,687)	(3,710)

16. Issued Capital

Balance at beginning of the year
Issue of shares
Share Issue Costs

Total

Consolidated 30 Jun 2021 Number	Consolidated 30 Jun 2021 \$
31,583,334	2,910,196
53,991,502	8,347,748
720,000	(180,000)
86,294,836	11,077,944

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021



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.

On acquisition, Australia Sunny Glass recognised asset acquisition reserve totaling \$3,747,146 reflecting the pre-acquisition accumulated losses of SSG acquired.

As a result of services provided by the existing shareholders of SSG, a share based payment of \$382,100 was recognised on acquisition. This has been recorded under AASB 2 based on the value of the services provided.

Sydney Sunny Glass Pty Ltd 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, script for script on 24 July 2020.

Purchase consideration:
36,139,920 ordinary shares \$2,035,080

In a separate transaction, Australia Sunny Glass Group Limited issued shares to BMH to acquire the glass manufacturing equipment which Sydney Sunny Glass Pty Ltd has in its premises in Sydney. This acquisition was made based on an external independent valuation report.

Asset Acquisition:
11,666,667 ordinary \$3,859,091

With Australia Sunny Glass Group holding 100% of the share capital of Sydney Sunny Glass and the related glass manufacturing equipment. The company completed the IPO on the NSX and raise \$2,071,477 before costs in capital by issuing 6,904,915 ordinary shares.

18. Reserves

Acquisition reserve

This is the pre-acquisition accumulated losses of the acquired subsidiary, Sydney Sunny Glass Pty Ltd

Consolidated 30 Jun 2021 \$	Company 30 Jun 2020 \$
(3,474,146)	-
(3,474,146)	-

19. Retained Profits/(Accumulated Losses)

Accumulated losses at the beginning of the financial year
Loss after income tax (expense)/benefit for the year
Accumulated losses at the end of the financial year

(53,147)	(11,487)
(913,087)	(41,660)
(966,234)	(53,147)

20. Loss per share

Net loss for the year
Number of shares issued

Loss per share (cents per share)

(913,087)	(41,660)
86,294,836	31,583,334
(1.06)	(0.13)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021



21. Risk 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:

Cash at bank
Trade and other receivables
Loan to Sydney Sunny Glass

Consolidated 30 Jun 2021 \$	Company 30 Jun 2020 \$
1,616,229	296,486
3,001,280	46,402
-	2,400,000
4,617,509	2,742,888
(2,849,063)	(84,097)
(1,258,647)	-
(4,107,710)	(84,097)

Trade and other payables

Borrowings

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.

Exposure to credit risk

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

Cash at bank
Other receivables

Total

Consolidated 30 Jun 2021 \$	Company 30 Jun 2020 \$
1,616,229	296,486
3,001,280	254,608
4,617,509	551,094

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021



21. Risk Management (continued)

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 ⁽¹⁾ AA-(S&P)	Other third parties without external credit rating No Default	Total
Credit quality of financial assets			
At 30 June 2021			
Cash at bank	1,616,229	-	1,616,229
Trade and other receivables from once-off transactions with third parties ⁽²⁾	-	3,001,280	3,001,280
	1,616,229	3,001,280	4,617,509
At 30 June 2020			
Cash at bank	296,486		296,486
Trade and other receivables from once-off transactions with third parties ⁽²⁾	-	254,608	254,608
	296,486	254,608	551,094

(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) Trade and 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. 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 counterparty'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.

The Group has recognised an expected credit loss of \$284,901 for the financial year (2020: \$Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021



21 Risk Management (continued)

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.

Remaining contractual maturities

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Consolidated - 2021	%	\$	\$	\$	\$	\$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	2,361,005	-	-	-	2,361,005
Other payables	-	488,058	-	-	-	488,058
<i>Interest-bearing - fixed rate</i>						
Trade Financing	5.34%	934,338	-	-	-	934,338
Lease liability	5.82%	968,899	917,963	2,044,345	3,638,297	7,569,504
Total non-derivatives		4,752,300	917,963	2,044,345	3,638,297	11,352,905

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Consolidated - 2020	%	\$	\$	\$	\$	\$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	70,742	-	-	-	15,711
Other payables	-	13,355	-	-	-	1,628
Total non-derivatives		84,097	-	-	-	17,339

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Financing arrangements

Unused borrowing facilities at the reporting date:

	Consolidated 30 Jun 2021 \$	Company 30 Jun 2020 \$
Trade Financing (Total \$1million facility)	65,662	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021



22. Remuneration of the auditor

Audit of the financial statements
Tax and other consulting works

Consolidated 30 Jun 2021 \$	Company 30 Jun 2020 \$
51,000	10,000
15,000	39,000
66,000	49,000

23. Events arising since the end of the reporting period

The Company has considered the impact of the COVID-19 virus on the business and has implemented procedures consistent with the directions given by the authorities. These procedures have had little or no impact upon the operations of the business although management continues to monitor the situation.

Other than the above, there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

24. Contingent liabilities

There was no contingent liabilities as at end of the financial year (2020: nil).

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 façade materials worth a total of RMB 23,500,000 (approximately \$4,800,000) for its Box Hill Project in Victoria. As at 30 June 2021, the supplier has delivered 90% of the contracted material, the balance remaining on the contract was at RMB 2,300,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021



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 Shengqiang (Sunny) Chi (Executive Director - appointed 7 August 2020)
- Mr Sok Kiang Teoh (Executive Director)
- Ms Seok San Tan (Non-Executive Director – re-designated from executive to non-executive director on 1 June 2021)
- Mr Michael Liew (Non-Executive Director)

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

	Consolidated 30 Jun 2021 \$	Company 30 Jun 2020 \$
Short-term employee benefits	343,333	45,000
Non-Monetary	72,591	3,077
Short-term post-employment benefits	32,617	4,275
Total	448,541	52,352

28. Parent entity information

Loss after income tax

Total comprehensive income

	Consolidated 30 Jun 2021 \$	Company 30 Jun 2020 \$
Loss after income tax	(324,069)	(41,660)
Total comprehensive income	(324,069)	(41,660)

Statement of financial position

	Parent	
	30 Jun 2021 \$	30 Jun 2020 \$
Total current assets	163,204	2,951,094
Total assets	8,843,622	2,960,166
Total current liabilities	81,010	103,117
Total liabilities	177,973	103,117
Equity		
Issued capital	8,660,764	2,910,196
Reserve	382,100	-
Retained loss	(377,216)	(53,147)
Total equity	8,665,648	2,857,049

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity and some of its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in any of these subsidiaries.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021



29. Reconciliation of loss to net cash from operating activities

	Consolidated 30 Jun 2021 \$	Company 30 Jun 2020 \$
Loss for the year	(913,087)	(41,660)
Adjustments of non-cash/non-operating items:		
Depreciation and amortisation	1,574,304	2,070
Share issue costs	(180,000)	-
IPO Expenses accounted for under financing activities	153,890	-
Share based payments	202,100	-
Change in operating assets and liabilities:		
Increases/(decrease) in accounts payables and accruals	3,804,011	100,377
(Increase)/decrease in accounts and other receivables	(2,910,293)	29,267
(Increase)/decrease in inventory	(2,461,227)	-
Cash Flows from Operating Activities	(730,303)	90,054

30. Share based payments

As per Note 17, as a result of services provided by the existing shareholders of SSG, a share based payment of \$382,100 was recognised on acquisition. This has been recorded under AASB 2 based on the value of the services provided. The group also issued shares to pay for capital raising related costs. The value of the shares issued being \$180,000 was recognised as capital raising costs within equity.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Corporations Regulation;
- the attached financial statements and notes comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Sok Kiang Teoh', is written over a light blue horizontal line.

Sok Kiang Teoh
Director

30 September 2021
Perth

INDEPENDENT AUDITOR'S REPORT

To the members of Australia Sunny Glass Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australia Sunny Glass Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue from contracts with customers

Key audit matter	How the matter was addressed in our audit
<p>The Group generates revenue from the sale of glass products and project revenue. The Group is required to record revenue in accordance with accounting standard AASB 15: <i>Revenue from Contracts with Customers</i> ('AASB 15').</p> <p>The Group's disclosures relating to revenue recognition are included in the summary of accounting policies in Note 1 to the financial report.</p> <p>This was considered a key audit matter given the significance of revenue to the Financial Report.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> Assessing the Group's revenue recognition policy for compliance with Australian Accounting Standard, AASB 15; Selecting a sample of sale transactions around year end to ensure that they have been recognised in the correct accounting period; Selecting a sample of sales transactions during the year to ensure that they have been recognised in accordance with AASB 15; and Assessing the adequacy of the related disclosures in Note 1 and Note 3 to the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 9 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Australia Sunny Glass Group Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd



Glyn O'Brien

Director

Perth, 30 September 2021

Top holders

The 20 largest registered holders of each class of quoted equity security as at 17 September 2021 were:

Fully paid ordinary shares – quoted

	Name	No. of Shares	%
1.	Shengqiang Chi	15,201,532	17.62
2.	Seok San Tan	12,000,000	13.91
3.	Baumart Holdings Limited	11,666,667	13.52
4.	Liwei Chi	11,200,000	12.98
5.	Xianjin Yan	8,400,000	9.73
6.	Tuan Minh Le <Le Khuc Family A/C>	8,000,000	9.27
7.	Serng Yee Liew	3,500,000	4.06
8.	Shi Long Chen	3,400,000	3.94
9.	Xian Jun Yan	2,266,667	2.63
10.	Kaw Hon Lim	1,666,667	1.93
11.	Sok Kiang Teoh <T&Q Family Trust>	1,500,000	1.74
12.	Kreatif Investments Pty Ltd	1,004,820	1.16
13.	Luniarty Kartosudiro	1,000,000	1.16
14.	Catechin Enterprise Pty Ltd <Tan Poh Hong Family A/C>	828,571	0.96
15.	Kelvin Munn Hoi Lee + Chiew Khiuk Pui <K & K Super Fund A/C>	500,000	0.58
16.	Kingsfield Pty Ltd	500,000	0.58
17.	Wicah Investments Pty Ltd	500,000	0.58
18.	Marnov Pty Ltd	350,000	0.41
19.	Mitra Holdings Pty Ltd	329,321	0.38
20.	CV Dermaga Victory	300,000	0.35
		84,114,245	97.49

Distribution schedules

A distribution schedule of each class of equity security as at 17 September 2021:

Ordinary fully paid shares

	Range	Holders	Units	%
1	- 1,000	0	0	0.00
1,001	- 5,000	1	4,000	0.01
5,001	- 10,000	37	304,092	0.35
10,001	- 100,000	27	1,090,087	1.26
100,001	- Over	25	84,896,657	98.38
Total		90	86,294,836	100.00

Substantial shareholders

The names of substantial shareholders in the Company as at 17 September 2021, and the number of shares to which each substantial shareholder and their associates have a relevant interest, as disclosed in substantial shareholding notices given to the Company, are set out below:

Substantial shareholder	Number of Shares	%
Shengqiang Chi	15,201,532	17.62
Seok San Tan	12,000,000	13.91
Baumart Holdings Limited	11,666,667	13.52
Liwei Chi	11,200,000	12.98
Xianjin Yan	8,400,000	9.73
Tuan Minh Le <Le Khuc Family A/C>	8,000,000	9.27

Restricted securities or securities subject to escrow

As at 17 September 2021, the Company has 2,000,000 restricted securities on issue.

Voting Rights

The voting rights attaching to ordinary shares are:

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

Options do not carry any voting rights.

On-Market Buy Back

There is no current on-market buy-back.