



Appendix 3
Half Year Report to the National Stock Exchange of Australia
Australia Sunny Glass Group Limited and Controlled Entities – ABN 54 632 790 660
Period ending 31 December 2021

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

Reporting Period	6 Months ended 31 December 2021
Previous Corresponding Reporting Period	6 Months ended 31 December 2020

2. Results for announcement to the market

				\$A,000		\$A,000
Revenue from ordinary activities	up	79.3%	from	2,853	to	5,117
Profit (loss) for the period	down	32.7%	from	(2,077)	to	(680)
Profit (loss) for the period attributable to members of the parent	down	32.7%	from	(2,077)	to	(680)

Note: The Company acquired its wholly owned subsidiary, Sydney Sunny Glass Pty Ltd during the last reporting period.

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

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

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

Not applicable.

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

Please refer to the Interim Financial Report lodged with this Appendix 3.

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

Net tangible assets per security	Cents	6.90
Previous corresponding period	Cents	6.34

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

4.1 Name of the entity.

None

4.2 The date of the gain or loss of control.

N/A

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

The independent auditor's review report is attached as part of the Interim Financial Report.

6. Attachments

The Interim Financial Report of Australia Sunny Glass Group Limited for the half-year ended 31 December 2021 is attached.

7. Signed

Authorised by the Board of Directors and dated 15 March 2022.

**AUSTRALIA SUNNY
GLASS GROUP
LIMITED**

ACN 632 790 660



FINANCIAL REPORT

FOR THE 6 MONTHS ENDED 31 DECEMBER 2021

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CORPORATE DIRECTORY

Board of Directors

Joshua Letcher	Non-Executive Chairman
Shengqiang (Sunny) Chi	Managing Director
Sok Kiang Teoh	Executive Director
Kunal Malhotra	Non-Executive Director
Seok San (Susan) Tan	Non-Executive Director

Registered Office

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North Fremantle, Western Australia 6159

Principal Place of Business

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Contact Details

Email: info@sunnyglass.com.au
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Company Secretary

Natalie Teo

Nominated Adviser

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

Auditors

HLB Mann Judd (WA Partnership)
Level 3, 130 Stirling Street
Perth, Western Australia 6000

Share Registry

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

Telephone: +61 8 9389 8033

NSX Code

AG1

The Directors of Australia Sunny Glass Group Limited present their report together with the financial statements, on the consolidated entity (referred to here after as the 'Consolidated Entity' consisting of Australia Sunny Glass Group Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

Directors' Information

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

Mr Joshua Letcher, Non-Executive Chairman (appointed 12-10-2021)
Mr Shengqiang (Sunny) Chi, Executive Director
Mr Sok Kiang Teoh, Executive Director
Ms Seok San (Susan) Tan, Non-Executive Director
Mr Kunal Malhotra, Non-Executive Director (appointed 12-10-2021)
Mr Michael Anthony Liew, Non-Executive Director (resigned 12-10-2021)

Company secretary

Ms Natalie Teo

PRINCIPAL ACTIVITIES

During the period, 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 builders, developers and construction companies.

REVIEW OF OPERATIONS

The consolidated financial result for the half-year period to 31 December 2021 was a net loss after income tax of \$679,826 (31 December 2020: loss of \$2,076,938).

This result comprises:

- Revenue of \$5,116,815 (31 December 2020: \$2,853, 040), an increase of 79%;
- Gross Operating Profit \$1,575,900 (31 December 2020: \$340,195), an increase of 363%; and
- EBITDA of \$559,872 (31 December 2020 loss of \$1,253,147).

The factors affecting this result and the Consolidated Entity's operations for the period include:

- The execution of a major architectural glass supply and installation contract in Box Hill, Victoria, comprising of a 31-floor, 380-apartment residential development. It is anticipated that this contract will be completed by the end of FY2022.
- The receipt of \$245,182 from the Federal Government's research and development tax incentive grant in relation to the Consolidated Entity's ongoing cyclonic glass project.
- Continuing logistics and labor constraints caused by the COVID-19 pandemic impacting the Consolidated Entity's operations in Sydney and Melbourne. It is encouraging that the easing of border and movement restrictions in recent months will improve this operating aspect.

- Deferrals in the awarding of supply contracts caused by development delays encountered in the building industry.

During the period, the Consolidated Entity continued to grow its established relationships in its upstream supply chain, strengthening its competitive edge in the industry. Despite the challenges in the industry noted above, the Consolidated Entity is encouraged by its tender pipeline of new projects and is confident that a number of significant projects will be won in CY2022.

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 period.

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.

Signed in accordance with a resolution of the directors, made pursuant to section 306(3)(a) of the Corporations Act 2001.



Sok Kiang Teoh
Director

15 March 2022
Perth

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Australian Sunny Glass Group Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
15 March 2022



B G McVeigh
Partner

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021



	Notes	Consolidated	
		31 Dec 2021	30 Jun 2021
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents		608,732	1,616,229
Trade receivables		1,666,225	1,017,692
Other receivables	4	1,966,173	1,983,588
Inventory	5	1,386,664	2,461,227
Financial Assets			-
Total current assets		5,627,794	7,078,736
Non-current Assets			
Property, plant and equipment	6	3,330,899	4,005,399
Right of use assets	7	5,762,000	6,144,826
Total non-current assets		9,092,899	10,150,225
Total assets		14,720,693	17,228,961
Liabilities			
Current Liabilities			
Trade and other payables		1,850,421	2,849,063
Borrowings	8	568,580	1,019,756
Lease Liabilities	9	709,041	691,261
Total current liabilities		3,128,042	4,560,080
Non-current Liabilities			
Borrowings	8	202,940	238,891
Lease liabilities	9	5,431,973	5,792,426
Total non-current liabilities		5,634,913	6,031,317
Total liabilities		8,762,955	10,591,397
Net assets		5,957,738	6,637,564
Equity			
Issued capital		11,077,944	11,077,944
Reserves		(3,474,146)	(3,474,146)
Retained profits/ (Accumulated Losses)		(1,646,060)	(966,234)
Total Equity		5,957,738	6,637,564

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 half year ended 31 December 2021



	Notes	Consolidated	
		31 Dec 2021 \$	31 Dec 2020 \$
Revenue	3	5,116,815	2,853,040
Cost of goods sold		(3,540,915)	(2,512,845)
Gross profit		1,575,900	340,195
Other Income		245,343	4,085
Expenses			
Distribution expenses		(80,614)	(61,325)
Marketing expenses		(31,116)	(45,112)
Employment expenses		(555,956)	(479,586)
Repairs and maintenance expenses		(128,178)	(127,362)
Occupancy costs		(250,496)	(180,625)
Depreciation expenses		(1,102,738)	(679,633)
Finance costs		(136,961)	(144,159)
Corporate and administration expenses		(175,152)	(366,539)
IPO related expenses		(22,443)	(336,878)
Foreign currency loss		(17,415)	-
Loss before income tax expense from continuing operations		(679,826)	(2,076,938)
Income tax expense		-	-
Loss after income tax expense for the period attributable to the owners of Australia Sunny Glass Group Limited		(679,826)	(2,076,938)
Other comprehensive loss for the period, net of tax		-	-
Total comprehensive loss for the period attributable to the owners of Australia Sunny Glass Group Limited		(679,826)	(2,076,938)
Earnings per share for loss attributable to the owners of Australia Sunny Glass Group Limited		Cents	Cents
Basic and diluted loss per share		(0.79)	(2.41)

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 half year ended 31 December 2021



Consolidated	Issued Capital	Reserves	(Accumulated Losses)	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2021	11,077,944	(3,474,146)	(966,234)	6,637,564
Loss after income tax expense for the half-year	-	-	(679,826)	(679,826)
Other comprehensive loss	-	-	-	-
Total comprehensive loss for the half-year	-	-	(679,826)	(679,826)
Balance as at 31 December 2021	11,077,944	(3,474,146)	(1,646,060)	5,957,738

Consolidated	Issued Capital	Reserves	(Accumulated Losses)	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2020	2,910,196	-	(53,147)	2,857,049
Loss after income tax expense for the half-year			(2,076,938)	(2,076,938)
Issue of shares (acquisition of Sydney Sunny Glass)	2,035,080	-	-	2,035,080
Issue of shares (acquisition of Lisec equipment)	3,859,091	-	-	3,859,091
Issue of shares as part of IPO	2,071,477	-	-	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)
	10,695,844	(3,092,046)	(2,130,085)	5,473,713
Balance as at 31 December 2020	10,695,844	(3,092,046)	(2,130,084)	5,473,713

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 31 December 2021



Notes	Consolidated	
	30 Dec 2021	30 Dec 2020
	\$	\$
Cash Flow from operating activities		
Receipts from customers (incl GST)	4,325,321	1,524,294
Payments to suppliers and employees (inclusive of GST)	(4,965,435)	(3,666,503)
Interest received	161	1,035
Interest paid	(3,739)	-
Government grants received	511,406	396,800
Net cash (used in) operating activities	(132,286)	(1,744,374)
Cash Flow from investing activities		
Payments for property, plant and equipment	(45,405)	(983,684)
Proceeds from sale for investments	-	960,934
Investment income (net of GST)	-	3,443
Net cash (used in) investing activities	(45,405)	(19,307)
Cash flow from financing activities		
Proceeds from the issue of shares	-	2,071,477
Repayment of ROU Leases	(341,843)	(86,298)
Proceeds from borrowings	(487,963)	346,669
Net cash provided by/(used in) financing activities	(829,806)	2,331,848
Net increase/(decrease) in cash and cash equivalents	(1,007,497)	568,167
Cash and cash equivalents at the beginning of the financial period	1,616,229	296,486
Cash and cash equivalents at the end of the financial period	608,732	864,653

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

1. Significant accounting policies

Statement of compliance

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, As appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New or amended Accounting Standards and Interpretations adopted

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

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

Comparatives

The comparative financial information reflects that of Australia Sunny Glass Group Limited.

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 Consolidated Entity has incurred a net loss for the half-year ended 31 December 2021 of \$679,826 (2020: loss of \$2,076,938) and had net cash outflows from operating activities of \$132,286 (2020: outflow \$1,744,374). As at 31 December 2021 the Consolidated Entity had working capital of \$2,499,752 (30 June 2021: \$2,518,656) and cash and cash equivalents of \$608,732 (30 June 2021: \$1,616,229).

Given the financial position of the Consolidated Entity and the forecasted expenditure, there is a material uncertainty in relation to the Consolidated Entity's ability to remain a going concern. The Board of Directors and management note the following mitigating factors:

- the Consolidated Entity is listed on the NSX and 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;
- expenditure can be reduced where necessary; and
- the Consolidated Entity is forecasted to return to positive cashflow from operations, following completion of the Box Hill Project.

Accordingly, the Directors believe that the Consolidated Entity 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 Consolidated Entity not be successful in generating sufficient funds as outlined above, there is a material uncertainty that may cause significant doubt as to whether the Consolidated Entity is able to continue as a going concern, and therefore whether it will 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. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Consolidated Entity not continue as a going concern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2021



Estimates and judgements

Allowance for expected credit losses

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

Impairment

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

Share-based payments

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

2. Operating segments

Identification of reportable operating segments

The Consolidated Entity's management operates the business as a whole within Australia without any separately identifiable segments of the business.

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

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

3. Revenue

Revenue from construction contracts

Revenue from sale of goods

Total

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.

All revenue from construction contracts in the reporting period was related to one major customer.

4. Current Assets - Trade Receivables

Trade receivables

Allowance for expected credit loss

Total

Consolidated	
31 Dec 2021	31 Dec 2020
\$	\$
3,009,875	1,494,612
2,106,940	1,358,428
5,116,815	2,853,040
31 Dec 2021	30 June 2021
\$	\$
1,951,126	1,302,593
(284,901)	(284,901)
1,666,225	1,017,692

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2021



5. Current Assets - Other Receivables

	Consolidated 31 Dec 2021 \$	30 June 2021 \$
Prepayments	776	16,109
GST (payable)/receivable	(112,749)	28,330
Deposits to suppliers	276,005	276,005
Retention Receivable	550,002	630,764
Contract Asset	-	1,006,868
Other receivables	1,252,139	25,512
Total	1,966,173	1,983,588

Note: The Other Receivables amount of \$1,252,139 for the period ended 31 December 2021 is comprised of \$270,606 of R&D rebate receivable and \$981,533 in defect claims receivable from a supplier (2020: Other Receivable of 25,512 was R&D rebate receivable)

6. Inventories

	Consolidated 31 Dec 2021 \$	30 June 2021 \$
Inventory Raw Materials	1,386,664	2,461,227

Note: Inventory is recorded at the lower of cost and Net Realisable Value.

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

	Consolidated 31 Dec 2021 \$	30 June 2021 \$
Plant & Equipment	4,872,868	4,835,868
Less: Accumulated Depreciation	(1,945,683)	(1,273,942)
	2,927,185	3,561,926
Office Furniture & Equipment	47,494	39,089
Less: Accumulated Depreciation Furniture & Equipment	(29,337)	(26,094)
	18,157	12,995
Motor Vehicles	792,081	792,081
Less: Accumulated Depreciation	(406,523)	(361,603)
	385,557	430,478
Total Plant and Equipment	3,330,899	4,005,399
Total Property, Plant and Equipment	3,330,899	4,005,399

Reconciliations

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

	Plant & Equipment	Furniture & Equipment	Motor Vehicles	Total
Balance at 1 July 2021	3,561,926	12,995	430,478	4,005,399
Additions	37,000	8,405	-	45,405
Depreciation expense	(671,741)	(3,243)	(44,921)	(719,905)
Balance at 31 December 2021	2,927,185	18,157	385,557	3,330,899
Balance at 30 June 2020	-	5,383	-	5,383
Additions	4,321,771	11,016	518,124	4,850,911
Depreciation expense	(759,845)	(3,404)	(87,646)	(580,895)
Balance at 30 June 2021	3,561,926	12,995	430,478	4,005,399

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2021



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

Land and buildings - right-of-use
Less: Accumulated Depreciation

Consolidated	
31 Dec 2021	30 June 2021
\$	\$
7,322,246	7,322,245
(1,560,246)	(1,177,420)
5,762,000	6,144,826

9. Borrowings

Current

Motor vehicles
NAB trade financing

Total

Non-Current

Motor vehicles

Total

Consolidated	
31 Dec 2021	30 June 2021
\$	\$
(71,250)	(85,418)
(497,331)	(934,338)
(568,580)	(1,019,756)
(202,940)	(238,891)
(771,520)	(1,258,647)

There are no covenants in relation to borrowings.

10. Leases

Current Lease Liabilities

Right of use - building

Consolidated	
31 Dec 2021	30 Jun 2021
\$	\$
(709,041)	(691,261)
(709,041)	(691,261)

Non-current leases

Right of use - building

(5,431,973)	(5,792,426)
(5,431,973)	(5,792,426)

Total Leases

Right of use – building

(6,141,014)	(6,483,687)
(6,141,014)	(6,483,687)

11. Events arising since the end of the reporting period

The Consolidated Entity 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 financial period 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..

12. Contingent liabilities

There were no contingent liabilities as at end of the financial period.

13. Commitments

There were no commitments at the end of the financial period.

14. Financial Instruments

Carrying value of financial liabilities and assets is the same as their fair value.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- 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 31 December 2021 and of its performance for the financial period 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

15 March 2022
Perth

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Australian Sunny Glass Group Limited

Report on the Condensed Half-Year Financial Report*Conclusion*

We have reviewed the accompanying half-year financial report of Australian Sunny Glass Group Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the company does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the interim ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
15 March 2022



B G McVeigh
Partner