



Australia Sunny Glass Group Limited
ACN 632 790 660

Public Offer

For an offer to the public of 14,285,714 Shares at an issue price of \$0.35 per Share to raise up to \$5,000,000 (before costs), with the ability to accept oversubscriptions of up to an additional 7,142,857 Shares to raise up to an additional \$2,500,000 (before costs). Refer to Section 4 of this Prospectus for more information in respect of the Offer.

Underwriting

The Offer is partially underwritten by the Lead Manager for up to 7,142,857 Shares to raise \$2,500,000 (before costs), on a conditional basis. Refer to Section 4 of this Prospectus for more information.

LEAD MANAGER AND UNDERWRITER



TOWNSHEND
CAPITAL

Townshend Capital Pty Ltd
(AFSL No 219325)

PROSPECTUS

Public Offering

IMPORTANT NOTICE

This Prospectus and the accompanying Application Form contains important information and should be read in their entirety. If you have any questions about the Offer or this Prospectus, you should speak to your professional adviser. The Shares offered by this Prospectus should be considered as a speculative investment and potential investors should consider the risk factors outlined in Section 7 of this Prospectus.

This Prospectus has been lodged with ASIC in accordance with section 718 of the Corporations Act 2001 (Cth).

Directors

Joshua Letcher
Non-Executive Chairman

Shengqiang “Sunny” Chi
Managing Director

Sok Kiang Teoh
Executive Director, Chief Financial Officer

Seok San “Susan” Tan
Non-Executive Director


Kunal Malhotra
Non-Executive Director

Registered Office


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Principal Place of Business

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Company Secretary


Natalie Teo


Auditor*

HLB Mann Judd (WA Partnership)
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Lead Manager and Underwriter of the Public Offer

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Legal Advisers


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Share Registry*

Advanced Share Registry Ltd
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Proposed ASX Code

AG1

**These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.*



Prospectus

This Prospectus issued by Australia Sunny Glass Group Limited (ACN 632 790 660) (Company) is dated 16 May 2022 and was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility for the content of this Prospectus or the merits of the investment to which this Prospectus relates.

An application will be made to ASX for quotation of the Shares offered by this Prospectus within 7 days following the Prospectus Date.

The Company will not issue any Shares pursuant to this Prospectus later than its expiry date of 16 June 2023, being 13 months after the Prospectus Date.

Before making an investment decision on the basis of the information considered in this Prospectus you should consider whether investing in the Company is appropriate to you in light of your particular investment needs, objectives and financial circumstances. This Prospectus does not take into account your objectives, financial situation or needs. After reading this Prospectus you should seek professional legal, taxation or financial advice to determine whether this investment is appropriate for you. The Shares the subject of this Prospectus should be considered speculative.

The Company has not authorised any person to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors.

Electronic Prospectus

This Prospectus may be viewed in electronic form at <https://www.advancedshare.com.au/IPO-Offer> and <https://asgg.com.au/investor-centre/> by an Australian resident and must only be accessed from within Australia. If you receive the electronic form of the Prospectus you should ensure that you download and read the entire Prospectus. A paper copy of the Prospectus may be obtained free of charge on request during the Offer Period by calling the Share Registry. The information on the Company's website, www.asgg.com.au, does not form part of this Prospectus.

Applications

Applications for Shares may only be made on printed copies of an Application Form attached to or accompanying the Prospectus. The Corporations Act prohibits any person from distributing an Application Form unless it is included in, or accompanied by, the Prospectus.

The Application Form included in this Prospectus may only be distributed if it is included in, or accompanied by, a complete and unaltered copy of this Prospectus. Each Application Form contains a declaration that the investor has personally received the complete and unaltered Prospectus prior to completing the Application Form. The Company reserves the right not to accept a completed Application Form if it has reason to believe that the Applicant has not received a Prospectus or if it has reason to believe that the Application Form has been altered or tampered with in any way.

Privacy

If you apply for Shares, you will provide personal information to the Company and the Share Registry. The Company and the Share Registry will collect, hold and use your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request, and carry out appropriate administration. Corporate and taxation laws require the Company to collect some personal information. If you do not provide the information requested, your Application may not be able to be processed efficiently, or at all.

Jurisdictional Restrictions

The Company has not taken any action to register or qualify this Prospectus (including the Offer) or the Shares, or otherwise to permit a public offering of Shares, in any jurisdiction outside Australia.

The distribution of this Prospectus (including in electronic form) in jurisdictions outside Australia may be restricted by law and therefore persons outside Australia who obtain this Prospectus should seek advice on, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

Please see Section 4.12 for further details of restrictions applicable to specific jurisdictions.

No Cooling-off Rights

Cooling off rights do not apply to an investment in Shares pursuant to the Offer. This means that, in most circumstances, an Applicant cannot withdraw their Application once it has been accepted.

Note to applicants

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs (including financial and tax issues) of any prospective Applicant.

It is important that Applicants read this Prospectus carefully and in its entirety before deciding whether to invest in the Company. In particular, in considering the Company's prospects, potential Applicants should consider the risk factors that could affect its performance and carefully weigh up these risks in light of their investment objectives, financial situation and particular needs (including financial and tax issues). Potential Applicants should seek professional guidance from their stockbroker, lawyer, accountant, financial adviser or other independent professional adviser before deciding whether to invest in the Company. Some of the key risk factors that should be considered by prospective investors are set out in Sections 7. There may be risk factors in addition to these which should be considered in light of each Applicant's personal circumstances. Neither the persons named in this Prospectus, nor any other person, guarantees the Company's performance or the payment of a return on Shares.

Forward-looking Statements

This Prospectus contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements have been prepared with all reasonable care and attention, based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events.

These events are, as at the Prospectus Date, expected to take place, but there cannot be any guarantee that such events will occur as anticipated or at all given that many of the events are outside the Company's control. They may be affected by matters and risk factors such as those outlined in Section 7.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

No prospective financial forecasts

The Directors have considered the matters outlined in ASIC Regulatory Guide 170 and do not consider that reliable financial forecasts can be prepared. Accordingly, the Directors have not included forecasts in this Prospectus.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration purposes only and should not be interpreted to mean that any person shown endorses the Prospectus or its content. Diagrams are illustrative only and may not be drawn to scale. The people and assets depicted in photographs in this Prospectus are not employees or assets of the Company unless specifically stated.

Meaning of Terms

Capitalised terms and certain other terms used in this Prospectus are defined in the Glossary in Section 13.1.

References to “our”, “us” and “we” are references to the Company.

References to “I”, “you” and “your” are references to the Applicant.

Currency

References to “\$” are references to Australian currency, unless otherwise stated.

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Prospectus are subject to the effect of rounding.

Time

References to time relate to the time in Perth, Western Australia, unless otherwise stated.

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1 Key Offer Information

Indicative Timetable

Event	Date
General meeting to approve NSX delisting	6 May 2022
Lodgement of Prospectus with ASIC	16 May 2022
Opening Date of the Offer	16 May 2022
Closing Date of the Offer	11 July 2022
Issue of Shares under the Offer	18 July 2022
Suspension of trading of the Company's Shares on NSX	18 July 2022
Despatch of Holding Statements	19 July 2022
Anticipated date for Shares to commence trading on ASX	22 July 2022
Delist from NSX	22 July 2022

Note: These dates are indicative only and subject to change. The Board, in consultation with the Lead Manager, may vary these dates without notice, including whether to close the Offer early, extend, or accept late Applications, either generally or in particular cases, without notification. Investors are therefore encouraged to submit their Application Forms as early as possible after the Opening Date. If the Offer is withdrawn before completion, then all Application Moneys will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.

Details of the Offer

Offer	Minimum Subscription (\$5,000,000) ¹	With Oversubscription (\$7,500,000) ²
Offer Price per Share	\$0.35	\$0.35
Shares currently on issue	86,294,836	86,294,836
Shares to be issued under the Offer	14,285,714	21,428,571
Cash proceeds (before costs)	\$5,000,000	\$7,500,000
Shares on issue Post-Listing ³	100,580,550	107,723,407
Market Capitalisation Post-Listing (rounded) ⁴	\$35,203,193	\$37,703,193

Notes:

1. Assuming the Minimum Subscription is achieved under the Offer.
2. Assuming full oversubscription under the Offer is received and accepted.
3. Certain Shares on issue post admission will be subject to ASX-imposed escrow. Refer to Section 2.16 for information in relation to the likely escrow position.
4. Assuming a Share price of \$0.35, however, the Company notes that the Shares may trade over or below this price. The Company only has one class of securities on issue, being fully paid ordinary shares.

Chairman's Letter

Dear Investor,

On behalf of the Board of Directors, I am pleased to present this Prospectus and the opportunity for you to become a Shareholder in Australia Sunny Glass Group Limited (**Company**)

Our Business

The Group is one of Australia's leading manufacturers and suppliers of specialist architectural glass products to the commercial and residential building industry, predominantly in the east coast markets of New South Wales and Victoria. The Group's key value proposition is its ability to source low cost, high quality raw materials (locally and abroad) to use in its fully automated processing plant that is highly-efficient, accurate and scalable, as well as a glass contracting solutions division which focuses on providing integrated glass supply solutions for façades of medium to large commercial development projects.

The Group services customers ranging from small or special purpose commercial and residential construction, through to large commercial products. It has recently completed work under a major commercial glass supply contract for the Panorama residential apartment and retail development in Box Hill, east of the Melbourne's CBD. This project comprised 31 floors and approximately 380 residences, giving the Group substantial credibility and demonstrating its capability to manage and deliver projects of this scale.

The Company also actively progresses R&D activities with a focus on development of cyclone resistant glass using new laminating and bonding techniques.

Our Team

The Board and executive management team comprise individuals with significant experience in the glass product manufacturing sector and will aim to ensure that funds raised through the Offer will be utilised in a cost-effective manner to advance the Company's business.

Managing Director and founder of the Company's subsidiary, Sydney Sunny Glass Pty Ltd, Mr Sunny Chi, has over 27 years' experience in the glass products industry having held key management roles in Fuyao Glass Industry Group Co. Ltd, one of the world's largest glass supply companies, and listed on the Hong Kong Stock Exchange. The Company recently appointed Dr Roland Neo as its Chief Innovation Officer to specifically focus on the development of specialised glass products and to explore new innovations in the glass industry, including new manufacturing processes for cyclone resistant glass and see-through aluminium glass.

The Offer

Under this Prospectus, the Company offers 14,285,714 Shares at an issue price of \$0.35 each to raise \$5,000,000, with the ability to accept oversubscriptions of up to an additional 7,142,857 Shares at \$0.35 each to raise up to a further \$2,500,000 (the **Offer**).

The Lead Manager has agreed to partially underwrite the Offer up to 7,142,857 Shares to raise \$2,500,000 before costs.

The Offer proceeds will primarily be used to fund the continued development of the Company's business, including the expansion of its operational capability in Victoria. As well as strengthening the Company's balance sheet, the Offer will also satisfy ASX's requirements for the admission of the Company to its Official List. The ASX listing will significantly enhance the corporate profile of the Company and facilitate improved access to equity capital markets and other fundraising opportunities, enabling the Company to support and progress its growth objectives. Further details of the Company's intended use of the Offer proceeds are set out in Section 2.12 of this Prospectus.

Delisting from the NSX

In conjunction with its ASX listing, the Company will voluntarily withdraw from the Official List of the NSX. The Board has determined that dual listings on NSX and ASX would be costly, involve additional compliance requirements, and would be very unlikely to provide any benefit. Shareholders approved the NSX delisting at a general meeting held on 6 May 2022 and further details are set out in Section 2.13 of this Prospectus.

Conclusion

The Company is confident of its growth potential and funding from this Offer will support its strategic expansion plans. This Prospectus contains detailed information about the Company, its business and the Offer, as well as the risks of investing in the Company, and I encourage you to read it carefully. The Shares offered by this Prospectus should be considered speculative.

On behalf of my fellow Directors, I look forward to welcoming you as a Shareholder and sharing in what we believe are exciting and vibrant times ahead for the Company. Before you make your investment decision, I urge you to read this Prospectus in its entirety and seek professional advice if required.

Yours faithfully,



Joshua Letcher

Non-Executive Chairman

Date: 16 May 2022



► 1

Investment Overview

This Section is intended as a summary only of the key investment issues and not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. The reader is urged to read the Prospectus in its entirety.

INVESTMENT OVERVIEW

Topic	Summary	Further Information
A. Prospectus		
Who is the issuer of this Prospectus?	Australia Sunny Glass Group Limited (ACN 632 790 660), referred to as the “ Company ” or “ Australia Sunny Glass Group ” in this Prospectus.	
What is the purpose of this Prospectus and the Offer?	<p>The purpose of this Prospectus is:</p> <ul style="list-style-type: none"> to make the Offer to existing and prospective new investors and raise up to \$5,000,000 (before costs) (i.e. the Minimum Subscription), with an ability to accept oversubscriptions to raise up to an additional \$2,500,000 (before costs); to position the Company to meet its business and growth objectives, being primarily to provide funding to facilitate the further development of its businesses in New South Wales and Victoria; and to satisfy ASX’s requirements for the admission of the Company to its Official List, which will significantly enhance the corporate profile of the Company, enabling improved access to equity capital markets and future fundraising opportunities to advance its expansion plans. 	Sections 2.11, 2.12, and 4.5
B. Business Model		
What does the Company do?	<p>The Company’s primary business activity (conducted through its wholly owned subsidiary, Sydney Sunny Glass Pty Ltd (SSG)) is the operation of a glass production and supply business servicing the New South Wales and Victorian markets.</p> <p>The Company also provides glass supply solutions for structural building facades, from design through to fabrication, supply and installation of customisable glass facade applications, through its wholly owned subsidiary, Melbourne Sunny Glass Facade Pty Ltd (MSGF).</p> <p>The Company’s corporate structure is set out in Section 2.1 of this Prospectus.</p>	Sections 2.2, 2.3, 2.4, 2.5 and 2.8
What are the Group’s key assets?	<p>The Group’s key assets (other than cash) include the following:</p> <ul style="list-style-type: none"> various items of plant and equipment which form part of SSG’s automated glass processing production line, including but not limited to: <ul style="list-style-type: none"> an automatic storage and retrieval system; high speed and high-performance automatic glass cutting modules; a high-performance laminating machine and and a high-performance washing and cleaning module; SSG’s glass production and supply business; and MSGF’s glass contracting solutions business. 	Sections 2.3 and 2.4

INVESTMENT OVERVIEW

What is the Group's business model and strategy?	<p>Following completion of the Offer, the Company's proposed business model will be to progress its expansion plans in New South Wales and Victoria and further explore growth opportunities in the broader glass manufacturing and supply industry.</p> <p>The Company proposes to fund its operational and expansion activities over the first two years following listing as outlined in the table at Section 2.12.</p> <p>A detailed explanation of the Company's business model is provided at Section 2.5 and a summary of the Company's proposed expansion plan is set out at Section 2.11.</p>	Sections 2.5, 2.6, 2.9, 2.11, and 2.12
Is the industry in which the Group operates regulated?	<p>The Group operates within the flat glass market segment of the glass manufacturing industry, which is in turn, a segment of the broader construction industry. Accordingly, it will have to adhere to legislation, regulations and codes relating to building and construction, occupational health and safety, environmental issues, competition, and local government requirements, including the National Construction Code.</p>	Sections 2.10 and 3.4
What material contracts has the Group entered into?	<p><u>Australia Sunny Glass Group Limited</u></p> <p>The Company is party to the following material contracts:</p> <ul style="list-style-type: none"> the Lead Manager Mandate and the Underwriting Agreement with the Lead Manager; employment contracts with each of its executive Directors and appointment letter agreements with each of its non-executive Directors; and deeds of indemnity, access and insurance with each of its Directors <p><u>Sydney Sunny Glass Pty Ltd</u></p> <p>SSG is party to the sublease in respect of its production and manufacturing facility at Smithfield, New South Wales.</p> <p><u>Melbourne Sunny Glass Façade Pty Ltd</u></p> <p>MSGF is party to the lease in respect of its warehousing and operating premises at Clayton South, Victoria.</p>	Section 9
What are the key dependencies of the Group's business model?	<p>The Group's business model and proposed expansion plan will be dependent upon:</p> <ul style="list-style-type: none"> closing the Offer and successfully raising at least the Minimum Subscription amount under the Offer; continued demand for its glass products; continued demand for its fabrication and installation services; continued supply of raw materials for its projects; availability of the Smithfield and Clayton South premises and the equipment to undertake its operations; the legal and regulatory regime in Australia for construction businesses not being subject to substantial change which may prohibit or substantially impede any activities of the Group, or that would make compliance cost prohibitive; the recruitment and retention of key personnel skilled in the glass products supply industry; and the Company's ability to secure further funds for future opportunities relevant to the strategy of the Company. 	Section 2.7

C. Investment Highlights and Key Risks

What are the investment highlights and benefits?	<p>The Directors are of the view that an investment in the Company provides the following non-exhaustive list of investment highlights and benefits:</p> <ul style="list-style-type: none"> • Subject to raising the Minimum Subscription, the Company will have sufficient funds to implement its expansion plan as an ASX-listed entity. • SSG is a specialist supplier of custom-made and advanced architectural glass products. • The glass processing production line is comprised of specialised and sophisticated glass processing equipment capable of producing a range of custom-made glass products. • The Company has a credible and experienced executive team to progress its business objectives. • The potential for MSGF to upgrade production facilities at its Melbourne facility with the view of expanding its project contracting services and adding to its specialised glass solutions offerings in the Victorian market. • The potential for the SSG and MSGF businesses to expand the range of its products and services, and in particular, advance its ongoing research and development programme following the engagement of Dr Roland Neo as Chief Innovation Officer. • The ability of the Group to grow its value-added glass products line and complementary project contracting services on the back of increased regulations in the commercial and residential construction industry, providing consistency and operating efficiencies for the benefit of customers. 	Sections 2.6, 2.8, 2.9, 2.11 and 2.12
What are the key investment risks?	<p>The key risks of investing in the Group are set out below. These risks are not an exhaustive list. Further details of specific risks and general investment risks are set out in Section 7.</p> <p><u>Business model rollout</u></p> <p>There is a risk that management of the Group will not be able to implement its expansion plan after completion of the listing on ASX. The capacity of management to properly implement and manage the strategic direction of the Group may affect the Group's operating and financial performance.</p> <p><u>Operational risk</u></p> <p>The Group is exposed to a range of operational risks in both its current and future operations. Such risks include equipment failure, information technology systems failure and external services failure which may materially adversely impact the performance of the Group.</p> <p><u>Competition</u></p> <p>Aggressive competition by current or future competitors in the industry could result in price reductions, reduced margins and loss of market share which may, in turn, adversely affect the Group's growth prospects, operating results and financial performance.</p> <p>The competitive nature of the industry means that there can be no assurance that the Group will be able to compete successfully against current or future competition.</p>	Section 7 Section 7.2(a) Section 7.2(b) Section 7.2(e)

Reliance on international supply chains

The Company relies on international logistics supply chains to import its raw materials. Disruptions in the supply chains (as have occurred during COVID-19 pandemic) may impact delivery, resulting in delayed or lost revenue, loss of customers and damage to the Company's business reputation.

Section
7.2(f)

Supplier and counterparty factors

The Group has a limited number of suppliers from which it sources its raw materials.

There is a risk that the Group may be unable to continue to source products from existing suppliers, and in the future, to source products from new suppliers, at favourable prices, on favourable terms, in a timely manner or in sufficient volume.

The loss or deterioration of the Group's relationships with its suppliers, an inability to renew contractual arrangements with such parties, or an inability to negotiate agreements with new parties, may have a material adverse effect on the Group's financial and operational performance.

Section
7.2(g)

Product liability

Any defects in the products that the Group manufactures, supplies and/or install may harm its workforce, reputation and business. The Group may also be subject to warranty and liabilities claims for damages related to defects in its products and may not be able to recover these costs.

If the Group were to suffer or be the subject of one or more significant claims, or be required to elect to undertake certain actions in response to such claims, it may adversely impact the Group's operating and financial performance.

Section
7.2(j)

Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Group depends substantially on its senior management and its key personnel. The Group's key business relationships and networks have largely been based on those established by its Managing Director, Sunny Chi. The Group may suffer detrimental impact if one or more of these key personnel (in particular, Mr Chi) cease their employment with the Group.

Section
7.2(k)

Reliance on the building construction industry

The Group's financial performance is sensitive to the level of activity within the building construction industry. The level of activity in the industry can be cyclical and sensitive to a number of factors beyond the Group's control. Any reduction in demand from the building industry, or a reduction in the reliance by the building industry on glass and glass products may negatively affect the growth prospects, operating results and financial performance of the Group.

Section
7.2(l)

INVESTMENT OVERVIEW

Additional requirements for capital

The Group's capital requirements depend on numerous factors. The Group may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

If the Group is unable to obtain additional financing as need, it may be required to reduce the scope of its operations or scale back its expansion plan. There is however no guarantee that the Group will be able to secure any additional funding or be able to secure funding on terms favourable to the Group.

Section
7.4(a)

Other risks

For additional company-specific risks please refer to Section 7.2. For other risks with respect to the industry in which the Company operates and general investment risks, many of which are largely beyond the control of the Company and its Directors, please refer to Sections 7.3 and 7.4.

Section
7.4(l)

D. Financial Information

What is the Group's financial position?

The audited financial information of the Group as at 30 June 2020 and 30 June 2021, together with the reviewed financial information of the Group as at 31 December 2020 and 31 December 2021, is set out in the Independent Limited Assurance Report in Section 8.

Section 8

How will the Group generate revenue?

The Group will primarily generate revenue through SSG and MSGF's businesses.
SSG currently generates revenue from the sale of custom-made architectural glass products to the building construction industry and incidental services (e.g. installation).
MSGF currently generates revenue from the supply of an integrated glass supply solution from design through to fabrication and installation of structural building facades in the Victorian market.

Sections
2.5 and 8

Will the Company pay dividends?

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of the Company and its subsidiaries, future growth opportunities and capital requirements and general business and other factors considered relevant by the Directors.
The Company anticipates that significant expenditure will be incurred in the expansion phase and intends to grow revenue and generate profits during the two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Section
2.17

INVESTMENT OVERVIEW

Will this Prospectus contain forecasts?	<p>No. The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe they do not have reasonable grounds to accurately forecast future earnings. Accordingly, any financial forecast or projection would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.</p> <p>The Directors consequently believe that, given these inherent uncertainties, it is not appropriate to include a financial forecast in this Prospectus.</p>	Important Information, Section 4.19
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E. Directors and Key Management

Who are the Directors?	<p>The Board consists of:</p> <ul style="list-style-type: none"> • Joshua Letcher – Non-Executive Chairman; • Shengqiang “Sunny” Chi – Managing Director; • Sok Kiang Teoh – Executive Director and Chief Financial Officer; • Seok San “Susan” Tan – Non-Executive Director; and • Kunal Malhotra – Non-Executive Director. 	Section 5
What payments and benefits are to be made or given to Directors?	<p>The Directors are to receive the following key payments and benefits:</p> <ul style="list-style-type: none"> • salary and benefits to be provided to the Managing Director and Executive Director, Mr Sunny Chi and Mr Sok Kiang Teoh, under their respective Employment Agreements with the Company; • director’s fees to be paid to Mr Joshua Letcher, Ms Susan Tan and Mr Kunal Malhotra as non-executive Directors; • the benefit of an indemnity from the Company in respect of certain liabilities that the Directors may incur acting in that capacity; and • liability insurance premiums which are paid for by the Company. 	Sections 9.4, 9.5, 9.6 and 11.1
What are the interests of Directors in the Company?	<p>Each Director’s interest in the Company is set out at Section 11.2.</p> <p>The Directors may participate in the Offer by subscribing for Shares on the same terms and conditions as other Applicants.</p>	Section 11.2

F. Overview of the Offer

What is the Offer?	<p>The offer of up to 14,285,714 Shares at \$0.35 per Share to raise up to \$5,000,000 (before costs) to the public, with the ability to accept oversubscriptions of up to an additional 7,142,857 Shares to raise up to an additional \$2,500,000 (before costs).</p>	Section 4.1
Is there a minimum subscription under the Offer?	<p>The minimum subscription to be raised under the Offer is \$5,000,000.</p>	Section 4.1

INVESTMENT OVERVIEW

Is the Offer underwritten?	<p>The Lead Manager will, in accordance with the Lead Manager Mandate and on a best endeavours' basis, seek to facilitate Applications under the Offer.</p> <p>The Lead Manager has agreed to partially underwrite up to 7,142,857 Shares under the Offer to raise \$2,500,000 (before costs), on a conditional basis.</p> <p>The Lead Manager will receive the following fees:</p> <ul style="list-style-type: none"> • an underwriting fee of 5% on the Underwritten Amount; and • a lead manager fee of 5% on all funds raised under the Offer above the Underwritten Amount. 	Sections 4.4 and 9.3												
What are the terms of the Shares offered?	All Shares offered under this Prospectus are fully paid ordinary shares in the capital of the Company that will rank equally with all Existing Shares. A summary of the material rights and liabilities attaching to the Shares offered under the Offer is set out in Section 10.	Section 10												
How will the Offer affect the capital structure?	<p>The impact of the Offer on the capital structure of the Company is outlined below:</p> <table> <tr> <th>Shares</th><th>Number Minimum Subscription</th><th>Number with full Oversubscription</th></tr> <tr> <td>Existing Shares</td><td>86,294,836</td><td>86,294,836</td></tr> <tr> <td>Shares to be issued under the Offer</td><td>14,285,714</td><td>21,428,571</td></tr> <tr> <td>Total Shares</td><td>100,580,550</td><td>107,723,407</td></tr> </table>	Shares	Number Minimum Subscription	Number with full Oversubscription	Existing Shares	86,294,836	86,294,836	Shares to be issued under the Offer	14,285,714	21,428,571	Total Shares	100,580,550	107,723,407	Section 2.14
Shares	Number Minimum Subscription	Number with full Oversubscription												
Existing Shares	86,294,836	86,294,836												
Shares to be issued under the Offer	14,285,714	21,428,571												
Total Shares	100,580,550	107,723,407												
How will funds raised from the Offer be used?	<p>The Company intends to use the funds raised from the Offer and its existing cash reserves as follows:</p> <ul style="list-style-type: none"> • implementing the Company's business objectives and expansion plan as outlined in Section 2.12; • for general working capital purposes; • to pay for expenses of the Offer; • administration costs; and • to enable its admission to the Official List of the ASX. 	Sections 2.12 and 11.3												

INVESTMENT OVERVIEW

Will the Shares be quoted?	The Company will apply for quotation of Shares with ASX under the code "AG1".	Section 4.16
What are the expenses of the Offer?	<p>The expenses of the Offer will be approximately:</p> <ul style="list-style-type: none"> • \$590,000 if only the Minimum Subscription is raised under the Offer; and • \$730,000 if the Oversubscription amount is raised. 	Sections 2.12 and 11.3
Will any Shares be subject to escrow restrictions?	<p>None of the Shares issued under the Offer will be subject to ASX-imposed or voluntary escrow.</p> <p>However, it is anticipated that approximately 49,806,587 Shares issued by the Company prior to listing on NSX in July 2020 will be classified by ASX as 'restricted securities' and will be subject to escrow restrictions for up to 24 months from the date that the Company is admitted to the Official List. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose his or her Shares in a timely manner.</p> <p>The Company will announce to the ASX full details (including quantity and duration) of the securities required to be held in escrow prior to its Shares commencing trading on ASX (which admission is subject to ASX's discretion and approval).</p>	Section 2.16
Are there any taxation consequences of investing?	<p>The acquisition and disposal of Shares may have tax consequences for Applicants depending on their individual taxation circumstances and affairs.</p> <p>Each Applicant should consult their own taxation advisers for advice about any taxation consequences associated with subscribing for and disposing of Shares.</p> <p>Neither the Company nor any of the Directors have given any advice regarding the taxation consequences of subscribing for Shares.</p> <p>To the extent permitted by law, the Company, the Directors and the Company's advisers and officers, do not accept any responsibility or liability for any taxation consequences for persons subscribing for Shares.</p>	Section 11.4
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in the Key Offer Information Section of this Prospectus.	Key Offer Information

INVESTMENT OVERVIEW

G. Applying for Shares

Who can apply for Shares under the Offer?	Members of the public may apply for Shares under the Offer.	Sections 4.8, 4.9, 4.10, 4.11 and 4.12
What is required to apply for Shares?	<p>This Prospectus is accompanied by an Application Form.</p> <p>An Applicant must complete the Application Form accompanying this Prospectus in accordance with the instructions on that Application Form.</p> <p>A cheque for the relevant Application Money must accompany the completed Application Form when submitted to the Company's Share Registry unless the Applicant pays by BPay® or makes other payment arrangements through the Lead Manager.</p>	Sections 4.8 and 4.12
Can the Offer be withdrawn?	<p>The Company reserves the right to withdraw the Offer at any time before Shares are issued to Applicants under the Offer.</p> <p>If the Offer is withdrawn, Application Moneys will be refunded to relevant Applicants in full without interest.</p>	Sections 4.8, 4.9, 4.10, 4.11 and 4.12
What is the allocation policy?	<p>To the extent permitted by law, the Company, the Directors and the Company's advisers retain absolute discretion to allocate Shares under the Offer, with reference to the factors set out in Section 4.13.</p> <p>Final allocation of Shares under the Offer remains at the sole discretion of the Directors, in consultation with the Lead Manager, to ensure that Company has an appropriate Shareholder base on admission to the Official List of ASX.</p> <p>There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which he or she has applied.</p>	Section 4.11, 4.12 and 4.13
What is the minimum investment size under the Offer?	Applications under the Offer must be for a minimum of \$2,100 worth of Shares (6,000 Shares) and thereafter, in multiples of \$350 worth of Shares (1,000 Shares).	Section 4.8

H. Further Information

Will the Company remain listed on the NSX?	<p>The Directors have determined that maintaining dual listings on NSX and ASX would be costly, involve additional compliance requirements, and would be very unlikely to provide any benefit for the Company and its Shareholders.</p> <p>Shareholders have approved the Company's voluntary withdrawal from the Official List of NSX at a general meeting held on 6 May 2022.</p>	Section 2.13
What are the corporate governance principles and policies of the Company?	<p>To the extent applicable, in light of the Company's size and nature, the Company has adopted the Corporate Governance Principles and Recommendations (4th Edition) as published by the ASX Corporate Governance Council (Recommendations), as outlined in Section 6.</p> <p>Prior to listing on the ASX, the Company will announce its main corporate governance policies and practices and the Company's compliance and departures from the Recommendations, where applicable.</p>	Section 6 and Annexure A

INVESTMENT OVERVIEW

Where can I find more information?

An eligible person considering applying under the Offer should read this Prospectus in full and should consult their own qualified investment advisors if they have any questions. Further information may be obtained:

- by contacting the Share Registry on +61 8 9389 8033;
- by contacting the Lead Manager on +61 8 6558 0810; or
- by contacting the Company Secretary on +61 8 6389 2688.

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► 2

Company and Business Overview

2.1 Company Background

The Company was incorporated as a proprietary company on 8 April 2019 by Directors, Mr Sok Kiang Teoh and Ms Susan Tan, with the aim of identifying, acquiring and developing business investments in the Australian glass production.

The Company converted from a proprietary company to a public company limited by shares on 12 June 2020 in preparation for its initial public offering and NSX listing.

In July 2020, the Company was successfully admitted to the Official List of the NSX, having raised \$2,071,477 (before costs) through its initial public offering.

In conjunction with its NSX listing, the Company acquired 100% of the share capital of Sydney Sunny Glass Pty Ltd (ACN 603 335 548) (**SSG**), a Sydney-based manufacturer of high quality, performance architectural glass. Complementary to the SSG acquisition was the purchase of specialised glass processing equipment.

The founder of SSG, Mr Sunny Chi, was appointed Managing Director of the Company prior to listing on NSX, and under his leadership, the Group proceeded to execute a business expansion, including the successful completion of a \$12.25 million glass supply contract for the Panorama residential apartment and retail development in Box Hill, Victoria which comprised 31 floors and approximately 380 residences (**Box Hill Project**).

The Company also pushed on with expansion plans in the Victorian market through another wholly owned subsidiary, Melbourne Sunny Glass Façade Pty Ltd (ACN 643 655 949) (**MSGF**). MSGF provides commercial and retail customers with a full suite of services in respect of the glass façade product segment, from design through to fabrication, supply and installation.

The diagram below shows the Group’s current corporate structure. The Company may establish other operational subsidiaries in the future, but does not presently have any plans to do so.

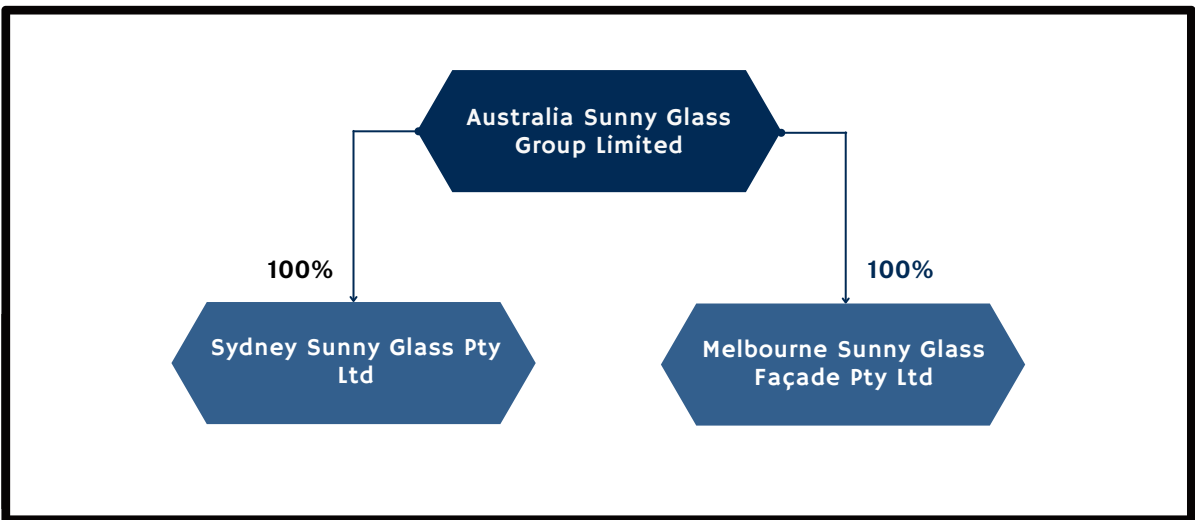


Figure 2.1. Corporate Structure

2.2 Main Business Activities

SSG and MSGF are the main operating divisions of the Group.

The Group's primary business activities comprise:

- through SSG, the manufacture and supply of a wide range of custom-made and architectural glass products to commercial and private construction customers, encompassing the full range of safety, security, fire protection, noise reduction and energy efficiency solutions for use in residential homes and commercial buildings in Australia; and
- through MSGF the provision of glass contracting solutions, focused on providing developers and construction companies (both small and large scale) with an integrated glass supply and façade solution on a project basis, and the development of multiple integrated supply and facade solutions which cover all stage of the design, manufacturing, logistics, installation and completion of glass products to be used in projects.

The divisions operate cross-functionally at times and usually on a project-to-project basis.

In addition to the above functions, each division actively tenders for projects in New South Wales and Victoria, leveraging strategic partnerships with builders and developers in the property construction industry and supply chain distributors in the glass products industry.

2.3 Overview of SSG

A. Business overview

SSG was established in 2014 and is one of the largest independent glass products suppliers in New South Wales. It presently operates from a 20,000 sqm manufacturing facility in Smithfield, New South Wales, equipped with specialised high-technology plant and equipment that enables fully automated glass processing methods. SSG has one of the largest local product ranges in Sydney and Melbourne with capability of undertaking the key aspects of the glass manufacturing process.

B. Supply chain management

SSG sources raw material stock sheets for its manufacturing process. Its large network of raw material suppliers means that there are alternative producers and suppliers for all its manufacturing inputs, allowing the business to negotiate favourable terms for its raw materials purchases, even in light of recent supply chain disruptions.

SSG has strong relationships with raw material suppliers, both internationally and in Australia. This is partly due to its Managing Director, Mr Sunny Chi's, long-term relationships with suppliers to the glass production and supply industry. The SSG team has developed a wide network of suppliers located in Asia to mitigate the risk of disruption in manufacturing should one supply route experience difficulties.

As a sub-segment of the broader building and construction industry, the glass productions manufacturing industry is regulated by the National Construction Code (formerly known as the Building Code of Australia) and specific industry standards. SSG may implement a pre-qualification process for its major suppliers to ensure that they have a quality assurance plan as part of the supplier selection process.

COMPANY AND BUSINESS OVERVIEW

This process is intended to ensure that raw materials purchased are of high quality and come with the required Australian certified standard that it will be fit for use in the production process.

The diagram below outlines the supply chain processes for SSG, illustrating key elements, inputs and capabilities.

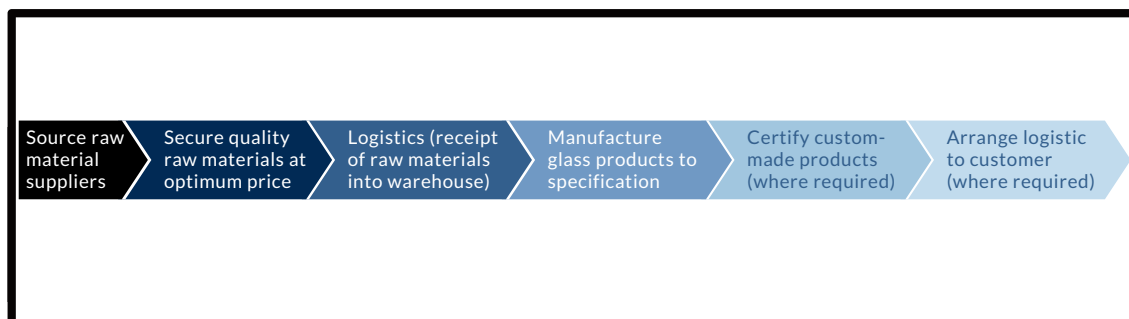


Figure 2.2. Glass Products Supply Chain

C. Manufacturing facility

SSG's Smithfield facility is one of the most specialised and comprehensive glass processing facilities in New South Wales, and provides the support for the glass products division, from logistics, storage, manufacturing and distribution to administration and sales.

The facility has separate and distinct production lines which are fully automated and operated using specialised LiSEC production systems. Dependent on a customer's needs and/or project requirements, the raw materials may pass through as many as five different processes before the end product is complete.

The fully automated production lines have the following key features:

- an automatic storage and retrieval process – gantry glass loading system transport the glass throughout processing by using suction cup frames;
- glass cutting modules – the high speed/ high performance automatic glass cutting modules which can be pre-programmed to optimise efficiency and accuracy of the products, including an edge grinding and trimming module for all types of glass;
- high-performance laminating machine and autoclave furnace – these lines allow for the one-stop production of laminated, toughened glass and toughened laminated glass to be manufactured on site;
- a high-performance washing and cleaning module – this ensures that each manufactured product is cleaned to remove all dirt from the surface after the manufacturing process is completed; and
- an automatic double glazing machine which produces customised energy efficient double glazed unit glass on site.

In addition to specialised machinery and systems, SSG also utilises the following equipment:

- three separate stand-alone automatic glass cutting machines to cater for adhoc, less complex and smaller quantity orders;
- water-jet cutting machines;
- a ceramic roller; and
- a diamond polishing wheel for the finishing process, where applicable.

The diagram below shows the facility production lines depicted as a single integrated production line.

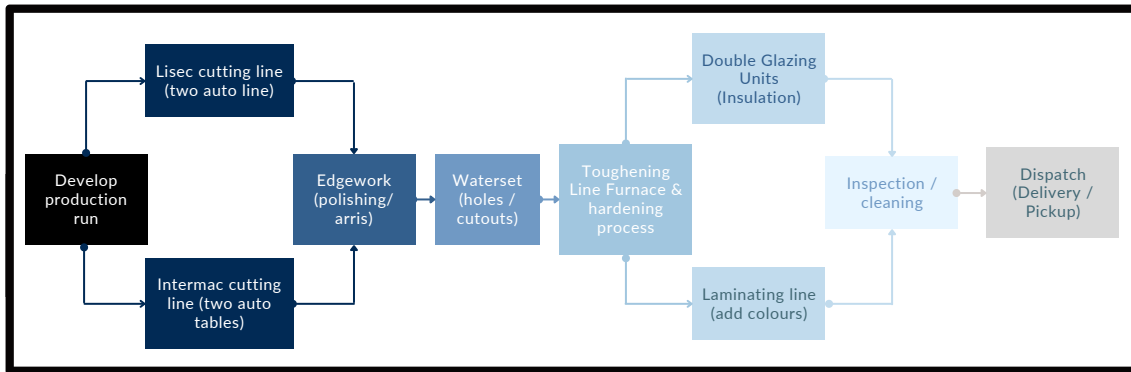


Figure 2.3. Fully automated manufacturing process for SSG

These production lines/ modules have been designed so that the automation and integration from one process to the next reduces labour requirements and excludes manual glass handling, which in turn is intended to increase the quality of products being supplied.

The development of the production runs using the LiSEC systems optimises the raw material used in the cutting process to ensure accuracy, quality, efficiency and speed while minimising wastage. The system allows large volumes of batched orders to be entered concurrently to enhance cost-effective stock usage and to lower manufacturing costs.

The system also collects production data, enabling feedback and sensor data to be analysed for predictive and preventive maintenance.

SSG has a maintenance agreement with LiSEC and utilises a locally-based support team that is available within short time periods, meaning that any issues with the production equipment can be dealt with promptly and production down-time is minimised.

Quality assurance is a key operational aspect of SSG’s business and SSG has adopted a quality management system for all elements of its manufacturing process based on ISO9001:2015.

D. Product range

SSG manufactures a broad range of architectural glass product types for a variety of end users, primarily for residential and commercial construction applications. Its core product categories, descriptions and applications, and uses are summarised in the table below.

Category	Description	Typical uses/applications
Flat glass/ float glass	Glass that is cut to size / annealed to a customer’s specifications. Product finishes are available in tinted float glass and in a variety of colours. Primarily designed for solar control and energy efficiency. SSG has the ability to produce clear float glass, tinted float glass, ultra-clear float glass, solar-reflective flat glass, low-E flat glass and art glass, and can cater to custom orders.	<ul style="list-style-type: none">• Windows and doors for residential and non-residential use• Exterior façade for buildings• Substrates for various compound glass• Interior decoration• Architectural features• Show windows

COMPANY AND BUSINESS OVERVIEW

Category	Description	Typical uses/applications
Laminated glass	<p>Two or more pieces of glass that are bonded together by an interlayer.</p> <p>The interlayer allows the glass to bend to a certain degree, making it more flexible and harder to break than annealed glass, thereby reducing the safety hazard associated with shattered glass fragments, as well as the security risk associated with easy penetration.</p>	<ul style="list-style-type: none"> • Building windows • Car windscreens • House windows • Transport industry
Toughened glass	<p>Made from annealed glass treated with a thermal tempering process.</p> <p>Toughened glass has greater strength resistance and safety performance. SSG can produce a range of toughened glass, including curved toughened glass and ceramic frit glass.</p>	<ul style="list-style-type: none"> • Windows and doors • Various household applications such as shower screens and tabletops • Architectural applications for building facades and green building design
Heat-strengthened glass	<p>Glass that provides necessary resistance to thermal stress associated with high performance glazing materials.</p> <p>Heat-strengthened glass also results in less optical distortion in the façade and retains normal properties of annealed glass including chemical resistances, hardness, expansion and deflection.</p>	<ul style="list-style-type: none"> • Vertical vision spandrel areas • Laminated sloped glazing
Insulating glass units	<p>Comprises two or more plies of glass that are separated with an aluminium spacer bar fully filled with desiccant, where sides are sealed with high-strength sealant.</p>	<ul style="list-style-type: none"> • Commercial or residential fixed and operable windows • Curtain wall • Storefronts • Sloped or overhead glazing • Non-vision (spandrel) locations

The products can be custom-made to the design specifications required by a customer, including the colour, size, and/or finish required for a high-quality precision product.

One of SSG's key capabilities is its ability to manufacture double glazing units at its Smithfield facility. With continued focus on energy efficiency by both the public and private sectors, double glazing products are becoming widely used within developments. SSG has an advantage of local manufacturing capabilities, as most other local manufacturers use overseas suppliers with longer turnaround times.



Image 1. Glass Lamination System and Production Machinery

2.4 Overview of MSGF

A. Business overview

MSGF provides complementary and stand-alone contracting and supply solutions from its warehousing and distribution facility in Clayton South, Victoria.

MSGF was incorporated in line with the Company's expansion into Victoria and focuses on provision of glass contracting services for small, and mid to large scale glass supply projects, with an integrated glass supply solution bolstered by SSG's production capabilities.

B. Services

MSGF provides a range of contracting and supply solutions, including:

- design of custom-made glass products and/or solutions for structural building facades, e.g. the use of glass for balcony balustrading;
- manage the entire glass solution supply chain for projects;
- access supplier facilities to ensure capability;
- fabrication and installation of glass products and/or solutions;
- assistance to help ensure customers' glass solutions design requirements are met and the specifications are compliant with Australian standards; and
- source and procure complementary building facade materials such as stainless-steel hardware.

MSGF is able to provide the above services efficiently and cost-effectively through its ability to leverage off existing relationships to source local and overseas suppliers with strong capabilities in design and manufacture. At times, this core service capability allows a developer to short list and pre-qualify appropriate suppliers for a design and supply contract.

MSGF works closely with developers and project operators to ensure project work undertaken improves the standard and/or quality of the construction asset. Depending on project requirements, MSGF and SSG services and offerings are sometimes bundled for a fully integrated glass product supply solution.

As at the Prospectus Date, MSGF has successfully serviced its landmark Box Hill Project, which validates the Company's decision to establish its glass contracting and solutions division, and bolsters its growth plans in the Victorian market.

C. Supply chain management

MSGF has strong relationships with glass products suppliers, both internationally and in Australia, and this network allows MSGF to support its customers’ design requirements for structural glass facades. The MSGF team also provide additional support in assessing and pre-qualifying suppliers based on project requirements, which enhances project and customer productivity.

This is a cross-functional element that draws on the expertise of SSG’s management team, who have a detailed understanding of the glass products manufacturing market, its regulations and specific industry standards.

There is a focus on active engagement with suppliers and customers throughout the project which MSGF believes drives customer satisfaction and identification of growth opportunities within existing contracts.

The diagram below outlines the supply chain processes for MSGF, illustrating key elements, inputs, and capabilities.



Figure 2.4. Glass Contracting Supply Chain

This integrated supply chain supports the core services of MSGF and allows it to efficiently execute its project deliverables in Victoria.

MSGF has also adopted the same quality management system, based on ISO9001:2015 at its Clayton South facility.

2.5 Business model

The Group is focused on growing both the SSG and MSGF businesses and delivering sustainable earnings growth to its shareholders.

The SSG business will continue to manufacture and supply custom-made premium glass products to commercial and residential projects, whilst the MSGF business will focus on contracting and supply solutions for structural glass facade design, fabrication and installation.

The Board considers operating these two distinct but complementary businesses is an appropriate risk mitigation strategy in that it diversifies the Group's exposure to market fluctuations by servicing both larger construction projects (e.g. the Box Hill Project) as well as smaller, higher volume work (e.g. home renovations, commercial and residential construction).

The Group is able to combine both businesses' capabilities to provide glass product manufacturing and supply solutions for projects in an integrated manner which simplifies the execution of projects for customers.

The Group will invest in further developing and expanding the businesses' market share in New South Wales and Victoria, and will also look to leverage on the recently completed Box Hill Project to win contracts and pursue opportunities in the Victorian market.

The Group will continue to progress its research and development programmes with a mid-to long-term outlook.

2.6 Competitive advantages

The Board believes that the Group has a number of competitive advantages:

- **Dedicated focus on being a specialist supplier of value-added and custom-made glass products:** the depth of expertise and the capability to deliver all types of manufactured glass without the need to outsource any element of the process to a third-party supplier supports its value proposition to customers.
- **Depth of service offering:** the Group can offer customers a wide range of glass contracting and glass solutions services and add incremental and/or complementary services to projects or customer relationships. It is often not practical for existing or prospective customers to develop such service capabilities in-house which enhances the Group's service offering.
- **Extensive supply chain:** the Group's ability to leverage its local and overseas network to ensure delivery of quality raw materials and/or glass products within short lead times and/or project timeframes.
- **Large-scale facility at Smithfield:** with access to fully-automated production lines and LiSEC systems, the Group has the capability to produce high-quality and custom-made products with accuracy, efficiency and speed to meet customer and project-specific requirements.
- **Large-scale facility at Clayton South:** with access to a distribution and warehousing hub, presently resourced with the capability to provide customers with an integrated glass product design and supply solutions offering.
- **Experience and track record:** led by Mr Sunny Chi as Managing Director, who has a significant understanding of the glass manufacturing and supply industry in Australia, with access to qualified talent across Australia. Successful track record in efficiently managing and executing mid to large scale projects such as the Box Hill Project.

The Board believes that an ASX listing will be a strategic step in accessing wider equity capital to support the development of both the SSG and MSGF businesses and fund future growth.

2.7 Key dependencies

The Group's business model will be primarily dependent upon the following:

- continued demand for its glass products;
- continued demand for its glass solutions contracting services, including fabrication and installation services;
- maintaining supply chain networks to ensure continued supply of raw materials for its projects;
- availability of the Smithfield premises and the equipment to undertake its operations;
- the legal and regulatory regime in Australia for construction businesses not being subject to substantial change which may prohibit or substantially impede any activities of the Group, or that would make compliance cost prohibitive; and
- the recruitment and retention of key personnel skilled in the glass products supply industry.

2.8 Customers

The Group's extensive range of products, along with its contracting and solutions services, enables it to service most customers in the glass product industry and broader construction industry.

The Group has grown its target customers over the last 2 years (post NSX-listing) as it expands its contracting and solutions services and products, and builds its presence and reputation in the marketplace.

Customers range from large multinational companies to small independent window and glazier manufacturers and individuals.

The Group has 3 broad categories of customers being:

- large commercial projects (including major builders);
- special purpose commercial and residential customers (including other glass product manufacturers without local facilities, independent glaziers and kitchen, bathroom and interior glass fitters); and
- private enterprises and individual customers (including architects and designers and building renovation businesses).

This diverse range of customers allows the Group to service all sectors of the building and construction industry which reduces the impact of a downturn in certain market segments.

2.9 Research and development

The Group is focused on exploring new solutions to harness emerging technologies for the benefit of its customers.

In 2017, SSG commenced a research and development programme to develop cyclonic glass (i.e. high speed wind resistant glass) through the use of advanced laminating and bonding techniques. The traditional toughened glass markets of bullet proof glass and aircraft windshields use these methods, but this results in the glass being too heavy and thick for the residential and commercial real estate application. The aim of the programme is to develop a glass that can withstand debris impacts of up to 320 km/h but is much thinner and lighter than the existing alternatives for commercial use.

In addition to its research programme for cyclonic glass, the Group is exploring options for a cost-effective high-volume manufacturing process to produce transparent aluminium glass.

Transparent aluminium glass, also known as aluminium oxynitride (**ALON**) is a see-through polycrystalline ceramic composed of aluminium, oxygen and nitrogen, with several applications including bulletproof and armoured windows, optical lenses, refractories, insulators and heat radiation plates. It is estimated that production of ALON costs substantially more (circa three times the amount) per square inch when compared to glass.

The Group, through SSG, is examining manufacturing methods that would lower production costs for ALON, and recently engaged Dr Roland Neo as Chief Innovation Officer (**CIO**) to oversee its research programmes.

It is proposed that the Group will continue to invest in its programmes in the short to medium-term due to the perceived advantages of new production techniques for cyclonic glass and transparent aluminium glass. The Group, under the guidance of its CIO, will also continue to assess new glass technology and opportunities involving innovative and sustainable materials.

Ongoing investment in each programme will be reviewed periodically having regard to the advancement of a product and to the Group's ability to continue funding based on financial circumstances and operational priorities. The Group will continue to seek tax incentives provided by the Australian government to support its programmes.

2.10 Regulation and accreditation

A wide range of standards govern the safety and quality of glass products manufactured in Australia. The primary standards applicable to the Group’s business are as follows:

Standard	Description
AS/NZS 2208:1996 – Safety glazing materials in buildings	Specifies the functional properties of various safety glazing materials, including toughened glass, laminated glass, wired glass, organic-coated glass and plastic. The standard also sets out the requirements for the Grade A and Grade B classifications, according to performance requirements, including weathering and ageing.
AS/NZS 2080:2019– Safety glazing for land vehicles	Specifies the requirements and includes methods of tests for flat and curved toughened and laminated safety glazing for windscreens and other glazing for land vehicles.

SSG holds a current Certificate of Compliance in relation to AS/NZS 2208:1996 – Safety glazing materials in buildings and AS/NZS 2080:2019 – Safety glazing for land vehicles, excluding windscreens.

2.11 Business development

A. Expansion plans

The Group anticipates the broader construction industry to benefit from various underlying tailwinds, including government infrastructure expenditure, population growth, increasing environmental regulation and private sector construction, providing the backdrop for the Group to expand operations in New South Wales and Victoria.

The Group is considering options to relocate from its Clayton South facility to another facility in greater Melbourne. The Group will look to upgrade its Clayton South facility or potentially a new facility (refer section 2.11(c) below) with specialised stand-alone equipment and recruit additional personnel to grow its Victorian operations. This will enable the Group’s MSGF business to expand its glass contracting and solutions business as it explores further opportunities in facade design, fabrication, and installation.

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Further, the Group will look to increase its market share in New South Wales by expanding services delivered to existing customers, winning new contracts and seeking growth opportunities within existing contracts. The Group's SSG business will aim to execute these plans by growing its sales team and deploying additional personnel.

The Group considers the diverse range of integrated glass products and solutions services it can deliver across projects of different scale and size (from small, to medium and large scale projects) to be a key driver of growth.

The Board also aims for the Group to generate and pursue sustainable growth by:

- developing new product and service offerings into both Melbourne and Sydney;
- expanding the existing glass products range;
- building and maintaining strategic alliances with customers, suppliers, builders, developers and other industry participants; and
- assessing the Australian and international glass and glass product industry for opportunities involving new products and equipment that may present investment opportunities.

B. Order pipeline

A fundamental objective of the Group's business development and expansion strategy is to increase the number and size of customer orders in the pipeline to replace existing orders as they are completed. The Group will also target existing relationships and build new channels with the increased sales and marketing staff.

The Group's SSG business has a history of actively pursuing and securing new work orders and contract tenders on an on-going basis. The Board is confident that the current market position of SSG will enable the business to continue to grow through the award of new orders.

Similarly, the Group's MSGF business will pursue opportunities in structural facade design and application to expand the usage of glass solutions and the scope of complementary services that can be offered to customers. The Board expects that MSGF's track record of performance the ability to deliver on the Box Hill Project will support growth within the facade design and installation segment.

The Group's executive team maintains a watching brief over a number of potential projects.

C. Melbourne facility

The Group is currently considering options for relocation from its current Clayton South facility to other locations in greater Melbourne.

In addition to growing through securing new projects and exploring opportunities within existing product and market segments, the Group will look to upgrade its Melbourne facilities and equipment with specialised glass cutting, laminating and fabrication equipment to enable it to directly service priority orders for the Victorian markets.

This upgrade will enable the Group to shorten delivery time on Melbourne-based orders and/or projects. Whilst certain glass products and/or facade designs would need to be manufactured at its Smithfield facility, the Group has identified a number of products and/or facade designs that can be produced and completed using stand-alone equipment proposed to be installed at its Melbourne facility (either Clayton South or a new facility).

The equipment would also enable the Group to potentially expand the existing glass products range currently available to the Victorian market as it continues to monitor opportunities across new industry and market segments.

D. Product innovation

The Group acknowledges that innovative and sustainable product offerings are a key to maintaining competitive advantage in the industry. The Group will continue to support the research and development programmes initiated and progressed by SSG, presently guided by its newly appointed CIO, Dr Roland Neo.

As outlined in Section 2.9 above, the CIO has identified other research efforts which may be beneficial to the Group, including:

- high energy efficiency glass with versatile applications across domestic and commercial environments;
- ultra-thin large format glass with frameless designs;
- clear/ frosted glass with smart dimming attributes; and
- architectural display glass with electronic switchable film enabling touch sensitive attributes,

and Group may also invest in the development of these products or other product innovation on a case-by-case basis and the subject to the progress of the current programme and the Group's financial circumstances.

2.12 Use of funds

The Company intends to apply funds raised from the Offer over the first two years following admission of the Company to the Official List of ASX as follows:

Allocation of Funds	Minimum Subscription	With Oversubscription
1. Upgrade Melbourne facility and equipment ¹	2,880,000	4,380,000
2. Recruitment of additional personnel, including staff costs for SSG and MSGF	285,000	350,000
3. Marketing and sales costs	260,000	425,000
4. Research and development cost	280,000	420,000
5. General working capital ²	705,000	1,195,000
6. Costs of the Offer ³	590,000	730,000
TOTAL	5,000,000	7,500,000

Notes:

1. Refer to Section 2.11(c) for further details.

2. Working capital comprises the Group's administration and overhead costs and includes operating expenses, accounting and auditing fees, insurance costs, legal fees, share registry expenses, Directors' fees, ASX fees and regulatory compliance costs and expenses. To the extent that:

a. the Company's growth objectives and expansion plans warrant further capital; or

b. the Company is presented with investment and/or acquisition opportunities the Company's working capital will fund such further expenses.

3. Refer to Section 11.3 for further details.

4. The Company has paid approximately \$40,530 of the costs related to the Offer at Prospectus Date.

5. The stated use of funds is current as at the Prospectus Date. The use of funds may change depending on any intervening events or changes in the Group's circumstances. The Board reserves the right to change the way funds are used and applied.

It should be noted that the Company may not be fully self-funding through its operational cash flow at the end of the 2-year period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding. Further capital needs will also depend on the success or failure of the growth objectives and expansion plans.

Following completion of the Offer, the Board believes the Group will have sufficient financial capacity to enable it to pursue its stated growth objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 7.

2.13 Migration of listing from NSX to ASX

A. Delisting from NSX

The Company is currently listed on the NSX under the ticker code: AG1.

On 6 May 2022, the Company obtained Shareholder approval for the withdrawal of its Shares from official quotation on the NSX and consequently delisting from NSX's Official List of issuers, to occur upon the Company being admitted to the Official List of ASX.

The Company is required to give NSX at least 90 days' prior notice of its intention to delist and the Company applied for and was granted a waiver in respect of NSX Listing Rule 2.25 (Section 2A) to abridge the 90 day notice period for delisting.

The process of delisting from NSX will run in parallel to the Offer and the Company's application for admission to ASX.

The fact that ASX may list the Company's Securities is not to be taken in any way as an indication of the merits and commercial viability of the Company or the quoted Securities. Neither ASX nor NSX take responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of the contents of this Prospectus.

The Directors anticipate that trading of the Shares on ASX will commence as soon as practicable after approval for admission to the Official List is granted and all conditions (if any) thereto have been fulfilled.

Other than as disclosed above, the Company does not currently envisage the need for any waivers of the NSX Listing Rules in relation to its application for delisting nor of the ASX Listing Rules in relation to its application for listing. The Directors believe the Company will comply with all the ASX Listing Rules applicable as it transitions from an NSX to an ASX listed company.

B. Purpose of listing on ASX

The Company is seeking to be listed on ASX for the following reasons:

- to expand its Shareholder base by creating improved marketability and liquidity of the Company's Securities;
- to improve access to equity capital markets and fundraising opportunities to support its growth plans;
- to improve the Company's public recognition, commercial standing and investor profile; and
- to facilitate a significant increase in the Company's funding resource, enabling it to progress its expansion plans.

The Directors believe that its strong growth agenda requires capital beyond the current capabilities and listing on the ASX provides access to Australia's largest pool of equity capital.

2.14 Capital structure

The capital structure of the Company following completion of the Offer is summarised below, assuming both minimum and oversubscription scenarios.

Shares	Number (% of Total) Minimum Subscription	Number (% of Total) With Oversubscription
Existing Shares	86,294,836 (85.80%)	86,294,836 (80.11%)
Shares to be issued under the Offer	14,285,714 (14.20%)	21,428,571 (19.89%)
Total Shares following completion of the Offer	100,580,550	107,723,407

Note: The figures in the above table are indicative only and are subject to change. The rights attaching to Shares are summarised in Section 10.

2.15 Substantial Shareholders

The table below sets out the Shareholders who have, or are anticipated to have a substantial holding (i.e. holding or controlling 5% or more of the Shares on issue) on completion of the Offer.

Name	Shareholding	Number (% of Total) Minimum Subscription	Number (% of Total) With Full Oversubscription
Shengqiang “Sunny” Chi ²	34,801,532	34,801,532 (34.60%)	34,801,532 (32.31%)
Seok San “Susan” Tan	12,000,000	12,000,000 (11.93%)	12,000,000 (11.14%)
BauMart Holdings Limited	11,666,667	11,666,667 (11.60%)	11,666,667 (10.83%)
Tuan Minh Le <Le Khuc Family A/C>	9,000,000	9,000,000 (8.95%)	9,000,000 (8.35%)

Notes:

1. The table above assumes that none of the above-mentioned persons will subscribe for Shares under the Offer.
2. Mr Sunny Chi’s holdings comprises of 15,201,532 Shares held directly and those held by his closely related parties, Liwei “Eric” Chi and Xianjin “Rachel” Yan, who each have 11,200,000 Shares and 8,400,000 Shares respectively.

At the Prospectus Date, the Company is not aware of any person who proposes to apply for Shares under the Offer which would result in that person holding or controlling (including through associates) more than 5% of the Shares on issue.

The Company will announce to the ASX details of its top 20 Shareholders following completion of the Offer prior to the Shares commencing trading on ASX.

2.16 Restricted securities

The Company has obtained in-principle advice from ASX as to whether ASX would classify any of the Securities which the Company has on issue at the time of listing as ‘restricted securities’ under the ASX Listing Rules. Restricted securities are subject to restrictions on sale or transfer (or ‘escrow’) for a defined period set by ASX.

ASX has indicated that none of the Shares issued pursuant to this Prospectus should be classified as restricted securities, but that certain Shares issued prior to the Company’s listing on NSX would likely be subject to restrictions.

The table below sets out the anticipated number of restricted and unrestricted Shares on the Company’s admission to the Official List.

Restriction	Number of Shares (% of total) on Minimum Subscription	Number of Shares (% of total) with full Oversubscription
Existing Shares (restricted for 24 months from the date of quotation)	49,806,587 (49.52%)	49,806,587 (46.24%)
Unrestricted Shares	50,773,963 (50.48%)	57,916,820 (53.76%)
Total Shares following completion of the Offer	100,580,550	107,723,407

Notes:

The restricted securities in the table above comprise:

- 1.36,139,920 Existing Shares issued to vendors of SSG, as scrip consideration for the acquisition of SSG by way of share purchase in July 2020;
- 2.11,666,667 Existing Shares issued to BauMart Holdings Limited, as scrip consideration for the acquisition of the glass processing equipment in July 2020; and
- 3.2,000,000 Existing Shares issued as seed capital to Director, Seok San “Susan” Tan, prior to the Company’s 2020 initial public offering.

The Company will announce to the ASX full details, including quantity and duration, of the Shares required to be held in escrow prior to the Shares commencing trading on ASX.

During the period in which Shares are prohibited from being sold or transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner.



Image 2. Glass Toughening Furnace

2.17 Dividend policy

The Company does not have a dividend policy as it does not foresee payment of dividends in the immediate future. However, the Board will review this from time to time having regard to the Group's financial position and business objectives.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Board and will depend on the availability of distributable earnings and the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Board.

2.18 Additional Information

Prospective investors are referred to and encouraged to read in its entirety the Independent Limited Assurance Report in Section 8 for further details on the Company's financials, including revenue generated by the Group's businesses.



Image 3. (Top Left) Laminated Glass Processing Line, (Top Right) Glass CNC Cutting Line, (Bottom Left) Automatic Crane Stocking System, (Bottom Right) Automatic Glass Edging



► 3

Industry & Market Overview

3.1 Introduction

The Group operates in the building and construction industry across Australia, within the sub-segment of glass and glass product manufacturing and contracting services. The flat glass segment covers various types of glass products, including flat glass, architectural glass and structure-upgraded glass products, which are processed for a variety of uses in the residential and non-residential construction industry.

The flat glass products provided by the Group are processed at its manufacturing facility located at Smithfield, New South Wales from raw glass materials purchased directly from suppliers and/or glass manufacturers. Along with various structure-upgraded glass products, the Group also provides complementary services in the form of contracting and supply solutions for structural building facades.

The Group's outlook with regard to the Australian flat glass segment is supported by the following factors.

3.2 The Australian market

Glass manufacturing activities in Australia are predominantly situated in capital cities and major downstream manufacturing centres, broadly corresponding to the level of economic activity and population. New South Wales, Victoria and Queensland account for 76.5% of the industry enterprises and broadly corresponds with the spread of population and economic activity.

New South Wales is the hub of several large-scale glass manufacturers and dominates the market, accounting for one-third of the industry. Victoria has the second largest market share, with many downstream fabrication firms operating in close proximity. Queensland's market share of the industry broadly matches the industry enterprises in the state, which is primarily comprised of wholesale agents sourcing processed glass products from other states or by imports.

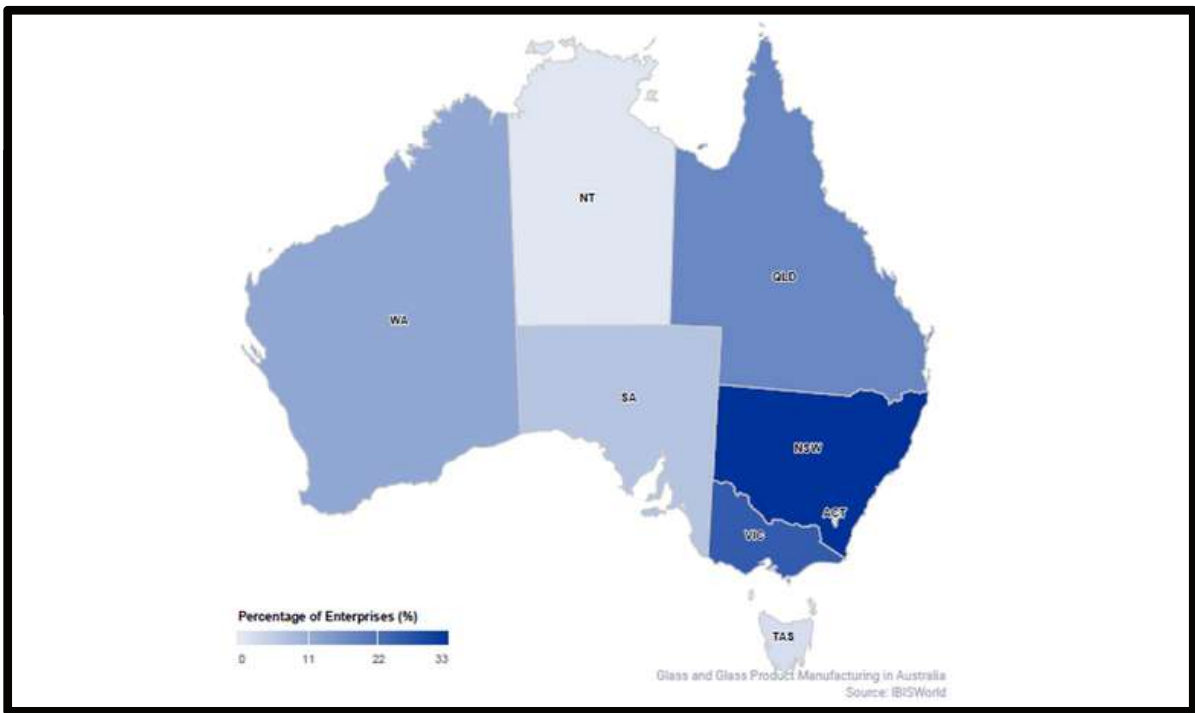


Figure 3.1. The Australian market

INDUSTRY & MARKET OVERVIEW

The glass and glass product manufacturing industry's performance is influenced by various factors, including trends in the downstream building and construction, beverages and food product markets. While market size has remained flat over recent years, industry revenue is expected to increase at an annualised 1.9% over the five years through to 2025-26, to reach \$3.8 billion. Overall demand for flat glass products are forecasted to remain constrained over the five-year period, although demand for architectural glass is anticipated to gradually increase in line with recovery of the residential building markets. Key detractors for the industry include the availability of low-cost flat glass imports, product substitutions and constricted demand in building markets due to the COVID-19 pandemic.

The Group's business model is tied closely to the viability of the Australian residential and non-residential building construction markets in the capital cities of Sydney and Melbourne, and whilst the Group understands that the construction market is cyclical by nature, the number of residential and commercial property developments currently in planning, approval and tendering phases across these cities indicate stable and sufficient market demand for the Group's products and services in the medium term.

Australia's housing market was reshaped by the COVID-19 pandemic, where historically low interest rates and government stimulus had a huge impact on property prices. It led to stronger preferences for detached housing over units and changed the composition of buyers, with more first-home buyers entering the market. There is an expectation that interest rates are likely to rise around the world in response to recent inflation data however strong residential demand is forecasted to continue in the short term, with current projects lagging by around a year and the easing of restrictions and lifting of international border closures indicate a return of demand from immigrant buyers. Importantly, outlooks for a strong labour market, with wages growth picking up, are expected to balance out higher borrowing costs in the near term.

Over the five years to 2020/21, Australia experienced population growth of around 1.5% per annum although recent studies forecasts growth to slow to 0.3% as a result of the COVID-19 pandemic.¹

Growth rates are then expected to return to a stronger rate of 1.4% per annum, over the five years through to 2025/26 now that international borders have reopened and the backlog of immigration resumes¹. This is a higher rate of population growth than most developed countries². According to a recent report released by the Australian Bureau of Statistics, the population of New South Wales is projected to increase from 8.2 million in 2020/21 to 9.1 million in 2031/32 and Victoria's population is projected to increase from 6.7 million in 2020/21 to 7.9 million in 2031/32.¹

With interstate and overseas migration assumed to return to long-run trends by 2023/24, most states are forecasted to return to pre-COVID-19 population growth rates by around 2024/25 with Victoria forecasted to become the fastest growing state by 2023/24 and Melbourne projected to be the fastest growing capital city from 2023/24.¹

An increasing population in urban areas and the demand this would place on the housing market to increase accommodation supply, presumably in the form of inner city higher-density accommodation, may present opportunities for suppliers of building product materials such as the Group's SSG business, which is capable of delivering premium products at competitive prices.

Growth in the building construction industry is further supported by construction works on the considerable pipeline of public infrastructure projects. As part of its fiscal year 2022/23 budget,

¹ Australian Government. 2021. *Population Statement*

² Australian Government. 2021. *Profile of Australia's Population*

released in March 2022, the Australian government announced an additional investment of \$29 billion on infrastructure works over the next 10 years³. This commitment towards current and future infrastructure delivery will support high-growth area communities in Victoria and New South Wales, where a high take-up of HomeBuilder grants during the pandemic has seen record building approval rates.

The Board believes that the Group, in line with its business objectives of expanding the SSG and MSGF businesses and enhancing its market presence in New South Wales and Victoria, may be able to take advantage of these positive tailwinds that present through the near-term levels of demand in the residential and non-residential construction market, coupled with longer-term opportunities as population growth is accommodated through increasing the urban footprint of each capital city.

3.3 Market for flat glass products

The flat glass product segment includes float glass, architectural glass and structure upgraded glass (where basic flat glass is processed into laminated or Low-E glass products) and demand for flat glass mainly stems from the building construction industry.

The graph below illustrates that 55.8% of industry revenue is derived from the building construction market, including downstream building product manufacturers, non-residential construction contractors, residential contractors and households, and glazing contractors. The Group’s SSG and MSGF businesses cater to these active segments of the market, as set out in Section 2.8.

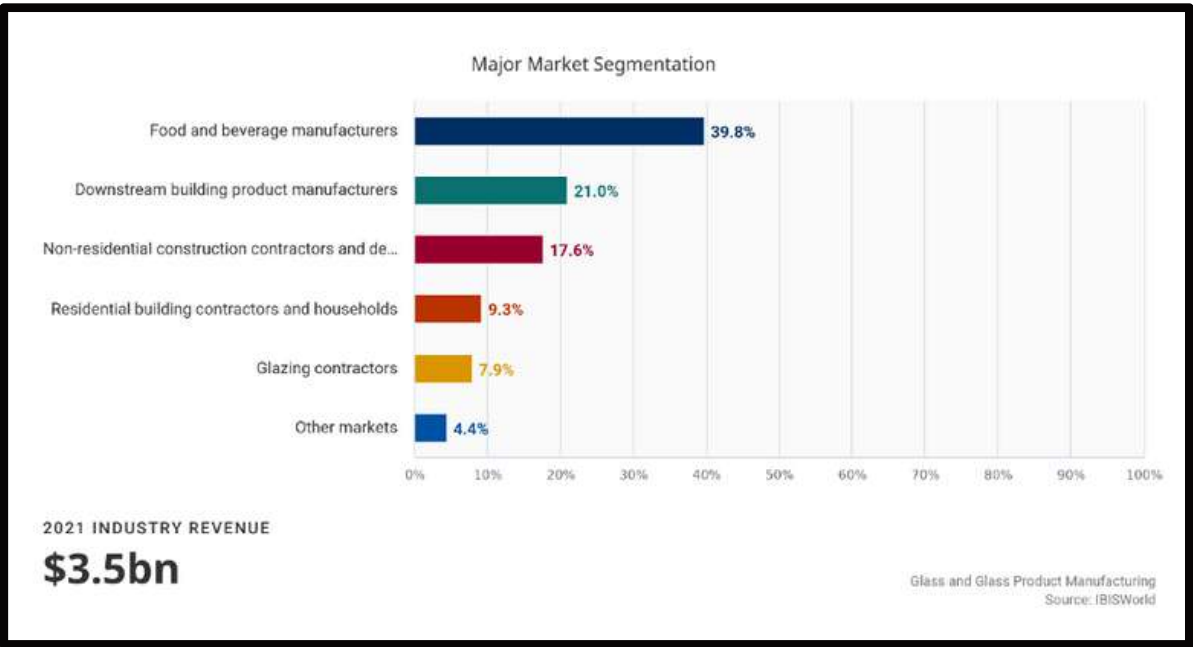


Figure 3.2. Products and services segmentation

³ Australian Government. 2022. *CEO Newsletter – Federal Budget Update 2022*

In recent years, architectural glass products derived from basic flat glass have grown in popularity owing to large-scale commercial and residential building developments and retail stores, as well as significant investment in public infrastructure projects with structural glass facades. Additionally, the HomeBuilder scheme, a federal government initiative, has supported increasing demand for housing construction in recent years and in turn, the flat glass market segment. The use of flat architectural glass for windows is relatively free of competition from substitutes, as alternatives such as plastic have poor transparency and refraction properties.

Although low-cost imports and cyclical fluctuations in the building construction industry can affect market demand for flat glass products, there has been a long-term trend toward the increased use of glass for other aspects of building construction, such as structural facades, balustrades, awnings, fencing and partitions. The use of glass as an alternative to wood or metal has increased in popularity due to growing energy efficiency and cost-awareness amongst builders and households, coupled with design advancements for residential and commercial properties and technological innovations in the glass products industry.

In addition, the use of high value-added and structure-upgraded glass products such as Low-E glass or double glazing has increased in recent years to maximise control over energy efficiency in new houses and buildings or the building retrofit market in line with the introduction of energy efficiency regulations in Australia.

3.4 The National Construction Code

The National Construction Code (**NCC**) (formerly the Building Code of Australia) published by the Australian Building Code Board (**ABCB**) provides a uniform set of technical provisions for the design and construction of buildings in Australia.

The 2019 version⁴ introduced a raft of new energy efficiency changes for both housing and commercial buildings and included guidelines on improvements throughout the building system, from thermal performance to energy usage and renewable energy generation. The 2019 version is based on the National Energy Productivity Plan framework, issued by the Australian Government to improve Australia's energy productivity by 40% between 2015 and 2030.

At present, a 6-star house energy rating is the minimum standard in most states and territories with the requirement for good thermal performance. A residential building that is designed as 6-star (or better) is more energy efficient and comfortable to live in due to thermal control, and can provide ongoing savings to householders by minimising energy use for artificial cooling and heating.

Under the NCC, residential and non-residential buildings must have, to the degree necessary, a level of thermal performance to facilitate the efficient use of energy for artificial heating and cooling. Furthermore, a building, including its services, must have the features that facilitate the efficient use of energy.

The Commercial Building Disclosure program also requires sellers and lessors of commercial office spaces over 1,000sqm to provide energy efficiency information to prospective buyers and tenants.

⁴ Adoption of the 2022 version will take effect on 1 September 2022, with the preview available from 9 May 2022. The May preview of NCC 2022 will not include energy efficiency amendments as these have yet to be endorsed by the Building Ministers.

These requirements have encouraged the increased use of value-added or structure-upgraded glass products such as low-e glass, insulating glass units or double-glazing to maximise control over energy efficiency in buildings.

Furthermore, the NCC has provisions applicable to vertical and sloped overhead glass assemblies in buildings that are subject to factors such as wind loading and human impact to reduce the risk of glass failure and breakage. To ensure compliance with these provisions heat strengthened glass, laminated safety glass or toughened safety glass are used in substitution of standard glass products.

By providing a broad range of flat glass products, including those which assist with compliance with the energy efficiency and safety requirements of the NCC, the Board believes that the Group is well positioned to maintain a competitive advantage in the industry.

3.5 Competitive landscape

A. Key factors

The competition for the supply of glass and glass products is dependent on a number of factors as set out below and are applicable to existing operators such as the Group and any new entrants in the market:

- i *supply of key inputs* – being able to secure contracts for the supply of raw materials is essential for an industry operator to be able to control input costs in the long term;
- ii *marketing expertise* – industry operators need to develop effective marketing campaigns;
- iii *service capabilities* – industry operators need to have the capabilities to address industry demands, such as the need to offer complementary services including but not limited to contracting and project management;
- iv *economies of scale* – being able to achieve economies of scale within the industry by increasing the efficiency of the operations; and
- v *control over market supply* – a successful industry operator usually dominates the flat glass segment and effectively having the ability to control total supply on the market.

B. Cost structure benchmarks

The cost structure of the glass and glass products industry has fluctuated in recent years; and the industry has seen a decline in profitability largely due to increased competition from substitutes and low-cost imports. It is expected that improvements in productivity such as rationalising plants and product ranges as well as investment in new technology may support profitability in the future but the rising input costs such as raw material, gas and electricity prices for production may outweigh the effects of such improvements.

Other factors that make up the cost structure of the industry include labour, depreciation, rental expenses and general operating expenses and overhead costs.

C. Basis of competition

The level of competition in the glass and glass products industry is high and increasing due to the industry's exposure to low-cost imports and competition from substitute products, and pricing remains a key basis for industry competition.

D. Barriers to entry

The barriers to entry in the glass and glass products industry are high and steady due mainly to the dominance of existing vertically and horizontally integrated producers. A new participant would have to aggressively challenge the existing manufacturers in the market to obtain a viable foothold.

E. Industry globalisation

While the glass and glass products industry has traditionally been highly globalised, at its current state its globalisation level is considered moderate and steady. Import competition bring a higher risk for domestic firms as foreign companies satisfy local demand for products. The post-COVID-19 environment may reverse long-standing trends for glass product imports, partly due to significant increases in global supply chain costs, and result in a push for onshore manufacturing.

3.6 Technology and systems

The glass and glass products industry continues to experience significant technological change and innovation in terms of product attributes and production methodology.

As noted above, there has been a long-term trend toward the increased use of glass in substitution for other traditional building products such as wood or metal which reflects the growing energy-cost awareness among builders and property owners. This development of new technologically advanced products is a way in which glass manufacturers and suppliers may more effectively move into new glass markets and maintain market share by introducing new innovative products.

Major manufacturers have implemented advances in technology to extract maximum efficiency from production. The availability of automated glass processing equipment in an industry where cost structure is heavily weighted towards the purchase of raw material and energy outputs into production has greatly reduced the labour costs associated with production.

The Board believes that the Company's medium to long-term view and objectives in relation to facility upgrades, additional equipment investments and research and development will not only assist the Group's business in achieving and maintaining a lean and cost-effective production line but also continue to expand its innovative product offerings, enabling the Group to maintain a competitive presence in the Australian market.

3.7 Regulation and policy

The glass and glass product manufacturing industry operates in a highly regulated environment, with regulations across the federal, state and local government jurisdictions including product standards and production safety standards. The costs of compliance with regulatory standards are estimated to add significantly to operating in this industry but may also limit the entry of new competitors and ensure legally recognised standards of production.

3.8 Impact of the COVID-19 pandemic

Although the COVID-19 pandemic and related restrictions and border closures impacted population and overall economic growth, the building and construction industry has only suffered temporary negative impacts. The delays to the easing of restrictions present near-term challenges associated with deferral of ongoing and new projects.

As at the Prospectus Date, COVID-19 related restrictions in Australia have eased, and the Board anticipates that the recovery of deferred new and ongoing residential and commercial building contracts will result in increased activity in FY2022 through to FY2023.

The Board will continue to monitor the evolving policy environment and implement initiatives to respond to near-term challenges associated with COVID-19.

3.9 Nature of information – cautionary statement

This Section 3 contains various publicly available estimates, projections, statements and opinions by government and industry bodies in relation to activity (both historical and prospective) in the glass and glass product manufacturing and building industries in Australia.

The Board considers that it is appropriate to include the information in this Section 3 to provide industry information to assist investors in their decision-making process as to whether to invest in Shares under this Prospectus. However, such estimates, projections, statements and opinions contain an element of uncertainty and risk. There cannot be any guarantee that the subject matter of the estimates, projections, statements and opinions will occur as anticipated or at all.

3.10 Source of information

Except as expressly noted otherwise, the information contained in this Section 3 has been prepared based upon the 'IBISWorld Industry Report C2010 – Glass and Glass Product Manufacturing in Australia' published by IBISWorld Pty Ltd (ACN 006 819 987) and dated June 2021.

► 4

Details of the Offer

4.1 Structure of the Offer

The Company invites applications for 14,285,714 Shares at an issue price of \$0.35 per Share to raise \$5,000,000 (before costs) (**Minimum Subscription**) under this Prospectus.

All Shares offered under the Offer will be issued as fully paid and will rank equally in all respects with all Existing Shares. Further details of the rights and liabilities attaching to Shares are set out in Section 10.

The Company, in consultation with the Lead Manager, reserves the right to reject any Application or to allocate any Applicant fewer Shares than the number applied for under the Offer.

The Company reserves the right to withdraw the Offer at any time before Shares are issued under it.

Please refer to Section 4.8 for details on how to apply for Shares under the Offer.

4.2 Conditions of the Offer

The Company may accept oversubscriptions under the Offer for up to an additional 7,142,857 Shares at an issue price of \$0.35 per Share to raise up to an additional \$2,500,000 (before costs).

4.3 Lead Manager

The Company has appointed the Lead Manager, Townshend Capital Pty Ltd (AFSL no 219326), to act as lead manager to the Offer.

The Lead Manager will receive a fee of 5% on all funds raised under the Offer, excluding the Underwritten Amount.

Refer to Section 9.2 for full details of the Lead Manager Mandate.

4.4 Underwriting

The Lead Manager has agreed to partially underwrite half of the Minimum Subscription under the Offer, or up to 7,142,857 Shares to raise \$2,500,000 (before costs) (**Underwritten Amount**).

The Lead Manager will be entitled to receive fee equal to 5% of the Underwritten Amount as consideration for it agreeing to underwrite the Offer.

A summary of the terms and conditions of the Underwriting Agreement, including the circumstances in which the Lead Manager may terminate its underwriting commitment, is set out in Section 9.3.

The Lead Manager may engage sub-underwriters to sub-underwrite all or part of its obligation to subscribe for the Underwritten Amount.

The Lead Manager has indicated that neither the Lead Manager nor any sub-underwriter will become a substantial holder (i.e. will not have a controlling interest in 5% or more of the Shares on issue) as a result of complying with their commitments under the Underwriting Agreement or the sub-underwriting agreements (as applicable).

4.5 Purpose of the Offer

The purpose of the Offer is to:

- raise sufficient capital to meet the Company's business objectives outlined in Section 2.11 and 2.12;
- enable the Company to satisfy the admission requirements of ASX, thereby providing the Company with improved access to capital markets;
- broaden the Company's shareholder base;
- provide an opportunity for Existing Shareholders to realise part or all of their investment;
- gain liquidity in Shares;
- secure general working capital for administrative and operational requirements; and
- assist in attracting and retaining appropriately skilled personnel.

4.6 Conditions of the Offer

The Offer is conditional upon the below events:

- the Minimum Subscription for the Offer being attained; and
- ASX approving the Company's application for admission to the Official List and the Company receiving conditional approval for quotation of its Shares on the ASX within 3 months after the Prospectus Date (refer to Section 4.16).

If any of the above conditions to the Offer are not satisfied, then the Company may either:

- issue a supplementary or replacement prospectus to Applicants allowing them one month to withdraw their Applications and obtain a refund of their Application Moneys (without interest); or
- elect not to proceed with the Offer, in which case all Applications will be dealt with in accordance with section 724 of the Corporations Act.

4.7 Escrow restrictions

The Company does not anticipate that the Shares issued under this Prospectus will be classified as “restricted securities” for the purposes of the ASX Listing Rules. Accordingly, the Shares are expected to be free from ASX-imposed escrow restrictions and freely transferable from the date of issue.

Please see Section 2.16 for further details in this regard.

4.8 Application for Shares under Offer

A. Form of Application

Applications for Shares under the Offer must be made on the Application Form which accompanies this Prospectus. An Application Form must be completed in accordance with the instructions set out at the back of the form.

Application Forms may be submitted as paper copies or, for Applicant's using **BPay**®, in electronic format as outlined below.

Applications under the Offer must be for a minimum of 6,000 Shares (\$2,100) and thereafter increments of 1,000 Shares (\$350). Payment for the Shares must be made in full at the issue price of \$0.35 per Share.

Brokerage or transfer/stamp duty is not payable in relation to the Offer.

Applicants who wish to apply under the Offer are urged to lodge an Application Form as soon as possible, as the Offer may close early without notice.

The Company, in consultation with the Lead Manager, reserves the right to accept or reject a lesser amount to the total amount of Shares applied for by an Applicant in an Application Form at its complete discretion.

An original, completed and lodged Application Form together with a cheque, money order or **BPay**® payment for the Application Money constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in that Application Form. The form does not need to be signed to be valid.

The Company reserves the right to refuse a completed Application Form.

If an Application Form is not completed correctly or if the accompanying payment is for an incorrect amount, it may be treated by the Company as valid at its discretion. The Directors' decision as to whether to treat such an application as valid and how to construe, amend or complete the Application Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of Application Money.

DETAILS OF THE OFFER

B. Payment by cheque or money order

Unless an Applicant pays using **BPay**[®] as outlined below, an Application Form must be accompanied by a personal cheque or money order, payable in Australian dollars, for an amount equal to the number of Shares for which the Applicant wishes to apply, multiplied by the Offer Price of those Shares.

Cheques or money orders must be made payable to “**Australia Sunny Glass Group Limited**” and should be marked “**Not Negotiable**”.

Completed Application Forms and accompanying cheques or money orders must be received by the Company’s Share Registry before **5:00pm (WST) on the Closing Date** for the Offer at either of the following addresses:

By delivery:

Advanced Share Registry Ltd
110 Stirling Highway
Nedlands Western Australia 6009

By post:

Advanced Share Registry Ltd
PO Box 1156
Nedlands Western Australia 6009

C. Payment using Bpay[®]

Applicants may complete an Application Form and pay their Application Moneys by internet or telephone using **BPay**[®]. Applicants applying online will be directed to use an online Application Form and make payments via **BPay**[®]. Applicants will be given a **BPay**[®] biller code and a customer reference number unique to the online application once the online Application Form has been completed.

BPay[®] payments must be made from an Australia dollar account of an Australian financial institution. Using the **BPay**[®] details, investors must:

- access their participating **BPay**[®] Australia financial institution either via telephone or internet banking;
- select to use **BPay**[®] and follow the prompts, enter the biller code and unique customer reference number that corresponds to the online Application;
- enter the amount to be paid which corresponds to the value of the Shares under the online Application;
- select which account payment is to be made from;
- schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and
- record and retain **BPay**[®] receipt number and date paid.

Applicants can apply online by following the instructions at <https://www.advancedshare.com.au/IPO-Offers> and completing a **BPay**[®] payment. If payment is not made via **BPay**[®], the Application will be incomplete and will not be accepted. The online Application Form and the associated Bpay[®] payment of Application Moneys must be received before **5:00pm (WST) on the Closing Date**.

D. Applications through the Lead Manager

Persons who have received a firm allocation of Shares from the Lead Manager (either directly or via their stockbroker) may apply for Shares by arrangement with the Lead Manager.

Each such Applicant must submit a completed Application Form together with the Application Money before **5:00pm (WST) on the Closing Date**, in accordance with the Lead Manager’s directions.

By making an Application to the Lead Manager, an Applicant will be taken to have confirmed that they have received a copy of the Prospectus together with the Application Form.

4.9 Applicant's acknowledgements

Each Applicant will be deemed to have:

- agreed to become a member of the Company, to be bound by the terms of the New Constitution, and to the terms and conditions of the Offer;
- acknowledged having personally received a hardcopy or electronic copy of the Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form, and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once the Company, the Share Registry or the Lead Manager receives an Application Form (including electronically), it may not be withdrawn;
- applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- agreed to being allocated and transferred the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;
- authorised the Company and the Lead Manager (including their respective officers or agents) to do anything on behalf of the Applicant necessary for Shares to be allocated to the Applicant, including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that, in some circumstances, the Company may not pay dividends, or that any dividends which are paid may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for the Applicant, given the investment objectives, financial situation or particular needs (including financial and tax issues) of the Applicant;
- declared that the Applicant is a resident of Australia;
- acknowledged and agreed that the Offer may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus; and
- acknowledged and agreed that if the Company is not admitted to the Official List for any reason, the Offer will not proceed.

4.10 Applicant warranties

Each Applicant will be taken to have warranted, represented and agreed that the Applicant:

- understands that the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the USA, and may not be offered, sold or resold in the USA, except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and other applicable state securities laws;
- is not in the USA or acting for the account or benefit of a US Person;
- has not sent and will not send this Prospectus or any other material relating to the Offer to any person in the USA; and
- will not offer or sell the Shares in the USA or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, the registration requirements under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.

4.11 Application Moneys to be held in trust

The Application Money will be held in trust by the Company in accordance with the requirements of the Corporations Act until the Shares to which the Application Money pertains are issued under the Offer or a refund of Application Money occurs in the circumstances described in this Prospectus. The Company will retain any interest earned on Application Money, including in the event of any refund of Application Money.

4.12 Applicants outside of Australia and selling restrictions

A. General restrictions

This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make such an offer.

The Company has not taken any action to register or qualify Shares or the Offer, or otherwise to permit a public offering of Shares, in any jurisdiction outside Australia.

It is the responsibility of any Applicant who is resident outside Australia to ensure compliance with all laws of any country relevant to their Application, and any such Applicant should consult their professional adviser as to whether any government or other consents are required, or whether any formalities need to be observed to enable them to apply for and be issued Shares. Return of a duly completed Application Form will constitute a representation and warranty by an Applicant that there has not been any breach of such regulations.

B. United States of America

This Prospectus or other documents relating to the Offer may not be sent or distributed to (wholly or partially), nor relied upon by, persons in the USA or to persons that are acting for the account or benefit of a US Person.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the USA or to, or for the account or benefit of, any person in the USA.

The Shares offered under this Prospectus have not been registered under the US Securities Act or any other US state securities laws, and may not be offered, sold, or transferred directly or indirectly, in the USA, or to or for the account of a US Person, unless registered or an exception to the registration requirements applies.

C. United Kingdom

Neither this Prospectus nor any other document relating to the Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom, and a prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000 (UK), as amended (**FSMA**)) has not been published nor is it intended to be published in respect of the Shares offered under this Prospectus.

Shares offered under this Prospectus may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA.

This Prospectus is issued on a confidential basis in the United Kingdom to “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (collectively, **Relevant Persons**). The investment to which this Prospectus relates is available only to Relevant Persons. Any person who is not a relevant person should not act or rely on this Prospectus.

D. Residents of Singapore

This Prospectus and other materials relating to the Offer or Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document relating to the Offer or Shares may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore, except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus is intended to be given only to investors in Singapore who are “institutional investors” or “accredited investors” (as defined in the SFA). Persons who do not fall within one of these categories should return this Prospectus to the Company immediately. Recipients of this Prospectus must not forward or circulate it to any other person in Singapore.

The Offer is not made to eligible investors with a view to Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to Applicants who acquire Shares. Accordingly, potential Applicants are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

E. Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**).

This Prospectus may not be distributed, and the Shares offered under it may not be offered or sold, in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance). Advertisements, invitations or documents relating to the Shares have not been and will not be issued, nor have they been or will they be delivered into the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors.

Person allotted Shares may not sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within 6 months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. Potential Applicants are advised to exercise caution in relation to the offer and, if in any doubt about any contents of this Prospectus, should obtain independent professional advice.

F. Indonesia

A registration statement with respect to the Shares offered under this Prospectus has not been, and will not be, filed with Otoritas Jasa Keuangan (the Financial Services Authority) in the Republic of Indonesia. Therefore, the Shares may not be offered or sold to the public in Indonesia.

Neither this Prospectus nor any other document relating to the offer or sale, or invitation for subscription or purchase, of the Shares under it may be circulated or distributed, whether directly or indirectly, in the Republic of Indonesia or to Indonesian citizens, corporations or residents, except in a manner that will not be considered as a “public offer” under the law of the Republic of Indonesia.

4.13 Allotment and issue of Shares

Subject to ASX granting approval for the Company to be admitted to the Official List of ASX, the allotment and issue of Shares to Applicants will occur as soon as practicable after the Closing Date, following which Holding Statements will be despatched.

It is the responsibility of Applicants to determine their allocation prior to trading Shares. Applicants who sell Shares before they receive their Holding Statements do so at their own risk.

4.14 Allocation of Shares under Offer

The Board reserves the right to allocate Shares under the Offer at their absolute discretion.

The Board, in consultation with the Lead Manager, may reject any Application or allocate to any Applicant fewer Shares than applied for.

The Board, in consultation with the Lead Manager, will generally allocate Shares having regard to the requirements of the ASX Listing Rules that the Company must have a prescribed minimum number of Shareholders that hold a \$2,000 parcel of those Shares.

If an Application is not accepted, or is accepted in part only, the relevant part of the Application Money will be returned to the Applicant without any accrued interest.

4.15 No cooling-off rights

Cooling-off rights do not apply to an investment in the Shares. Applicants cannot, in most circumstances, withdraw their Applications once they have been accepted.

4.16 ASX listing and quotation

The Company will apply to ASX within 7 days after the Prospectus Date for admission to the ASX and for quotation of the Shares offered under this Prospectus (apart from any Shares that may be designated by ASX as “restricted securities”) on the Official List of ASX.

If approval for quotation of the Shares to be issued pursuant to this Prospectus is not granted within 3 months after the Prospectus Date, the Company will not allot or issue any Shares and will repay all Application Money without interest as soon as practicable in accordance with section 724 of the Corporations Act.

4.17 CHESS and issuer sponsorship

The Company will apply to participate in the Clearing House Electronic Subregister System (**CHESS**), operated by ASX Settlement Pty Ltd (a wholly owned subsidiary of ASX). The Company will operate an electronic issuer-sponsored subregister and an electronic CHESS subregister. The two subregisters together will make up the Company’s principal register of its Securities.

Under CHESS, the Company will not issue certificates to the holders of Shares. Instead, the Company will provide holders with a Holding Statement (similar to a bank account statement) that sets out the number of Shares allotted and issued to them under this Prospectus.

This holding statement also advises investors of either their Holder Identification Number (HIN) in the case of a holding on the CHESS subregister or Security Holder Reference Number (SRN) in the case of a holding on the issuer sponsored subregister.

A statement will be routinely sent to holders at the end of any calendar month during which their holding changes. A holder may request a statement at any other time; however, a charge may be incurred for additional statements.

4.18 Privacy disclosure

The Company collects information about each Applicant from the Application Forms for the purpose of processing the Application and, if the Applicant is successful, for the purposes of administering the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement.

The Company and the Shares Registry may disclose an Applicant's personal information for purposes related to the Applicant's investment to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act 1988 (Cth) (Privacy Act):

- the Share Registry for ongoing administration of the Company's register;
- the Lead Manager for the purposes of capital raising under the Offer; and
- the printers and the mailing house for the purposes of preparing and distributing Holding Statements and for the handling of mail.

If an Applicant becomes a Shareholder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the Securities held) in its public register. This information must remain in the Company's register even if that person ceases to be a security holder of the Company. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If an Applicant does not provide the information required on the Application Form, the Company may not be able to accept or process their Application.

Under the Privacy Act, a person may request access to their personal information held by (or on behalf of) the Company or the Share Registry. An Applicant can request access to their personal information by writing to the Company through the Share Registry.

4.19 Forward-looking statements

The Board, having considered ASIC regulatory guidance, does not believe that reliable financial forecasts can be prepared in relation to the Group's proposed business, and accordingly has not included forecasts in this Prospectus. Please refer to Section 2 for further information about the Group's proposed business and activities.

Notwithstanding the above, this Prospectus includes, or may include, forward-looking statements including, without limitation, forward-looking statements regarding the Group's financial position, business strategy, and plans and objectives for its projects and future operations (including development plans and objectives), which have been based on the Group's current expectations about future events.

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will or may operate in the future.

Matters not yet known to the Group or not currently considered material may impact on these forward-looking statements. The forward-looking statements in this Prospectus reflect views held only as at the Prospectus Date. In light of these risks, uncertainties and assumptions, the forward-looking statements discussed in this Prospectus might not occur. Investors are therefore cautioned not to place undue reliance on these statements.

A photograph of a modern building with curved balconies and a lush garden at sunset. The building has a glass facade and curved balconies with dark railings. The interior lights are on, and the balconies are visible. The garden is filled with various plants, including palm trees and flowering plants. The sky is a mix of orange, pink, and blue, indicating sunset. A large blue triangle is overlaid on the left side of the image.

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Board and Management

5.1 Directors

A. Mr Joshua Letcher

Non-Executive Chairman – Independent

Mr Letcher has a mechanical engineering background through the Royal Australian Navy and over 13 years' experience in mining and exploration through Australia and Africa, overseeing project management, plant construction and commissioning, exploration management and asset acquisition.

Mr Letcher was the founder of Allotropes Diamonds Pty Ltd, which was acquired by Newfield Resources Limited (ASX: NWF) in 2014. Mr Letcher was responsible for the development of the Allotropes Project from exploration to trial mining, principally working in West Africa, before returning to Australia and working as a consultant in early-stage opportunities and emerging companies. He is also active in entrepreneurial activities and has a keen interest in the space technology sector.

He is currently the non-executive chairman of Aldoro Resources Limited (ASX:ARN) and Aurum Resources Limited (ASX:AUE). He is also a non-executive director of Si6 Metals Limited (ASX:SI6) and previously an executive director of Newfield Resources Limited (ASX: NWF).

Mr Letcher is considered to be an independent Director because he is free from any business or other relationship with the Company that could materially interfere with, or reasonably be perceived to be a material interference with, the independent exercise of his judgement as a Director.

B. Mr Shengqiang ‘Sunny’ Chi

Managing Director – Non-independent

Mr Chi is the founder and managing director of Sydney Sunny Glass Pty Ltd (ACN 603 335 548) which was acquired by the Company in July 2021 prior to its listing on the NSX. He was subsequently appointed Managing Director of the Company.

Mr Chi graduated in 1988 with a degree in Electrical Engineering Technology and Automation from the Fujian University of Technology in China. After graduating, Mr Chi joined a predecessor company to Fuyao Glass Industry Group Co Ltd (**Fuyao Group**) which is now listed on the Hong Kong Stock Exchange (reference: 3606) and is one of the world's largest glass supply companies.

For over 27 years, Mr Chi has developed an in-depth knowledge of the glass products industry, holding roles as general manager of production planning, quality control and finally as the regional general manager of sales and marketing of the Fuyao Group.

Mr Chi currently holds the position of Executive Vice President and Secretary General for the Australia Fujian Entrepreneurs Association.

C. Mr Sok Kiang Teoh

Executive Director & Chief Financial Officer – Non-independent

Mr Teoh graduated from Edith Cowan University in 1990 with a Bachelor of Commerce majoring in Accounting and Finance and was admitted as a member of CPA Australia in 1994.

He has over 20 years of senior management experience with roles as a chief financial officer and director of finance for subsidiaries of various listed and unlisted companies based in Malaysia, U.S.A. and Australia, including Advance Micro Devices (NASDAQ: AMD), Teleflex Medical (NYSE: TFX) and Broadcom Inc (NASDAQ: AVGO).

D. Ms Seok San “Susan” Tan

Non-Executive Director – Non-independent

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 not considered to be an independent Director because she is a substantial holder of the Company.

E. Mr Kunal Malhotra

Non-executive Director – Independent

Mr Malhotra has over 13 years’ experience spanning across corporate and commercial law, and litigation. He has advised numerous entities, including ASX-listed and private companies, on acquisitions, corporate and regulatory compliance, governance, and commercial transactions.

He is an experienced company director and is currently a director and/or company secretary for a number of non-listed public entities. He is also a Fellow of the Governance Institute of Australia. Mr Malhotra has a Bachelor of Commerce and Law from the University of Western Australia and a Certificate in Governance and Risk Management.

Mr Malhotra is considered to be an independent Director because he is free from any business or other relationship with the Company that could materially interfere with, or reasonably be perceived to be a material interference with, the independent exercise of his judgement as a Director.

5.2 Senior Management

A. Ms Natalie Teo

Company Secretary

Ms Teo graduated with 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 both listed and unlisted entities.

A. Dr Roland Neo

Chief Innovation Officer

With over 35 years’ experience in the construction industry worldwide, Dr Neo has been extensively involved in engineering project management, Design-Build delivery systems, promoting engineering research and innovative solutions in that industry.

He is a former associate professor at the School of Building and Estate Management of the National University of Singapore, and an honorary life member and former vice-president of the Singapore Contractors Association.

Dr Neo has a Master of Architectural Science from the University of Sydney and a PhD in Civil Engineering from Heriot-Watt University, Edinburgh UK.

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Corporate Governance

6.1 Overview

This Section explains how the Board will oversee the management of the Company's business. The Board is responsible for the overall corporate governance of the Company. The Board monitors the operational and financial position and performance of the Group and oversees its business strategy including approving strategic goals of the Group.

The Board is committed to maximising performance, generating financial returns and greater value for Shareholders, and achieving growth and success of the Company's business. The Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company, and its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company including adopting corporate governance policies and practices it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

The Company has substantially adopted the Corporate Governance Principles and Recommendations (4th edition) as published by ASX Corporate Governance Council (**ASX Recommendations**). The ASX Recommendations are not prescriptive, but guidelines to assist companies in meeting stakeholder expectations and to promote investor confidence. Where the Company has not followed a recommendation, it has stated the reason for its departure in a full corporate governance statement, as set out in Annexure A.

The main policies and practices adopted by the Company are summarised below. Details of the Company's key policies and practices and the charters for the Board will be available on the Company's website, www.asgg.com.au.

6.2 Board of Directors

The Board is responsible for the overall corporate governance of the Company, and it recognises the need for the highest standards of ethical behaviour and accountability. The Board is committed to administering its corporate governance structures to promote integrity and responsible decision making.

The Company has appointed a Chairman who is considered to be 'independent' for the purposes of the ASX Recommendations and is not the same person as the Managing Director.

6.3 Composition of the Board

The New Constitution requires the Company to have a minimum number of 3 Directors. The maximum number of Directors is fixed by the Board but may not be more than 10, unless the members of the Company in a general meeting resolve otherwise.

The relevant provisions in the New Constitution, the Corporations Act and the ASX Listing Rules determine the terms and conditions relating to the appointment and termination of Directors.

Identification of potential Board candidates includes consideration of the skills, experience, personal attributes and capability to devote the necessary time and commitment to the role.

6.4 Charters and policies

Set out in the table below is a list of the Company's corporate governance charters and policies and a brief description of the purpose of each. The charters and policies assume the Company is successfully admitted to the Official List. Copies of the charters and policies are in the Corporate Governance section of the Company's website.

Charter / Policy	Purpose
Board Charter	Sets out the various responsibilities of the Board with regard to the overall operation and stewardship of the Company and its subsidiaries (and any of its future subsidiaries).
Code of Conduct	The Code of Conduct aims to develop a consistent understanding of, and approach to, the desired standards of conduct and behaviour of the Directors, officers, employees and consultants in carrying out their roles for the Company.
Continuous Disclosure Policy	<p>The purpose of the Continuous Disclosure Policy is to:</p> <ul style="list-style-type: none"> • ensure that the Company, as a minimum, complies with its continuous disclosure obligations under the Corporations Act and the Listing Rules and, as much as possible, seeks to achieve best practice; • provide Shareholders and the market with timely, direct and equal access to information issued by the Company; and • promote investor confidence in the integrity of the Company and its Securities.
Whistleblower Policy	The Whistleblower Policy sets out the Company's internal processes in relation to whistleblowing and the protections that whistleblowers are entitled to and how disclosure under the policy will be handled by the Company.
Anti-Bribery and Anti-Corruption Policy	The purpose of the Anti-Bribery and Anti-Corruption Policy is to supplement the Company's Code of Conduct to minimise the risk of bribery or corruption occurring within the Company's operations and activities.
Securities Trading Policy	The Securities Trading Policy states the requirements for all Directors, senior executives, employees and consultants of the Company dealing in its Securities.
Shareholder Communication Policy	The Shareholder Communication Policy states the processes through which the Company will endeavour to ensure timely and accurate information is provided to all Shareholders and the broader market.
Risk Management Policy	<p>The purpose of the Risk Management Policy is to:</p> <ul style="list-style-type: none"> • provide a framework for identifying, assessing, monitoring and managing risk; • communicate the roles and accountabilities of participants in the risk management system; and • highlight the status of risks to which the Company is exposed, including any material changes to its risk profile.

Audit and Risk Committee Charter	<p>The Audit and Risk Committee Charter states the roles and responsibilities of the Audit Committee, which the Company's internal and external audit functions. The primary objectives of the Audit Committee are to assist the Directors to discharge their obligations with respect to:</p> <ul style="list-style-type: none"> • the integrity and quality of interim and annual financial reporting and disclosures; • identification of key business, financial and regulatory risks; • compliance with relevant laws, regulations, standards and codes; • the adequacy of the internal control framework; and • the integrity of internal and external audit.
Nomination and Remuneration Committee Charter	<p>The Nomination and Remuneration Committee Charter sets out the Board's policy and procedures for nomination and remuneration of officers and senior management, including in relation to the Managing Director, to ensure that they are fair and meet market conditions.</p>
Diversity Policy	<p>The Company has adopted a Diversity Policy which sets out the Company's commitment to creating a diverse environment in which everyone is treated fairly and with respect. The Board has not yet set measurable objectives for achieving gender diversity. However, the Company's Board does take into account the gender, age, ethnicity and cultural background of potential Board members, executives and employees.</p>
Performance Evaluation Policy	<p>The Performance Evaluation Policy sets out the review process for evaluation the performance of the Company's Board, its committees, individual directors and senior executives on an annual basis as appropriate.</p>



► 7

Risk Factors

7.1 Introduction

Investors wishing to subscribe for Shares should read this Prospectus in its entirety in order to make an informed assessment of the effect of the issue of Shares on the Company and the rights and liabilities attaching to the Shares.

Investors should carefully consider whether the Shares in the Company are an appropriate investment for them and should appreciate that the price of the Company's Shares can fall as well as rise.

The Shares offered by this Prospectus should be viewed as speculative and investors should be aware of, and take into account, the risk factors involved.

This Section 7 is not intended to be an exhaustive list of the considerations to be taken into account by investors in deciding whether to subscribe for Shares, nor all of the risk factors to which the Company is exposed. Some of these risks can be mitigated by the use of safeguards and appropriate systems and actions, but many are outside the control of the Company and cannot be mitigated.

There can be no guarantee that the Company will deliver on its growth objectives, or that any forward-looking statement contained in this Prospectus will be achieved or realised. Investors should note that past performance is not a reliable indicator of future performance.

There are risks associated with investing in any form of business and with investing in the share market generally. The Board strongly recommend that potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares; and consult their professional advisers if they are in any doubt as to any aspect of this Prospectus, the Offer, or any other matter relating to an investment in the Company.

7.2 Company-specific risks

The following risks have been identified as being key risks specific to the Group and an investment in the Company.

These risks have the potential to have a significant adverse impact on the Group and may affect the Group's financial position, prospects and price of its quoted shares.

A. Business model rollout

There is a risk that management of the Group will not be able to implement its growth strategy and expansion plan after completion of the listing on ASX. The capacity of management to properly implement and manage the strategic direction of the Group may be impacted by operational and market matters outside of their control. This may affect the Group's operating and financial performance

B. Operational risks

The Group is exposed to a range of operational risks relating to both current and future operations. Such operational risks include the potential for equipment failures, information technology system failures, external services failure, industrial action or disputes, and natural disasters.

RISK FACTORS

The Group's ability to win new projects and/or renew contracts with existing customers is fundamental to its business, growth and profitability. New projects and contract renewals are usually subject to a competitive tender process and there is a risk that the Group may not win these projects and/or contracts for any number of reasons. These include, for example:

- lower pricing from competitors;
- the Group's inability to differentiate its products and services and to market them effectively;
- the Group's inability to maintain the quality or efficiency of its product and service offerings or to anticipate, identify or react to changes in customer preferences or requirements;
- the Group's failure to react to new developments in glass processing technology;
- negative perceptions adversely affecting the Group's SSG or MSGF businesses as a result of the eventuation of some of the other risk factors listed in this Section; and
- increased competition in sectors where the Group competes against other competitors through tenders.

While the Group endeavours to take appropriate action to mitigate these operational risks or to insure against them, one or more of these risks may have a material adverse impact on the performance of the Group by adversely impacting its ability to grow its operations and reducing its profitability.

C. COVID-19 pandemic

As at the Prospectus Date, supply chain disruptions resulting from border closures and measures implemented by the authorities may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, adversely impact the Group's operations, financial position and prospects.

Any temporary closure of, or limited access to, sites on which the Group operates in response to federal or state government directives or customer policies, or supply chain disruptions, may adversely impact the Group's operating and growth prospects. For example, any delay in the commencement of a new project or any issues which result in an impact on deliverables for a contract may result in a delay in the Group receiving revenue or may cause the Group to incur additional costs, and therefore could have an adverse impact on operations and financial performance.

D. Contractual risk and litigation

The Group's business model involves SSG and/or MSGF being party to contracts for it to supply glass products and/or contracting services. Such contracts typically include provisions regarding SSG and/or MSGF's liability for defective products or work that it supplies. In the case of larger contracts to supply construction projects (e.g. the Box Hill Contract), the contracts may also include provisions for liquidated damages payable to a customer in the case of late performance of work, broad indemnities given by SSG and/or MSGF in favour of the customer, and rights for the customer to suspend, vary or cancel works under the contract.

As a result, SSG and MSGF are exposed to considerable contractual risk. However, this is inherent with operating in the building construction industry and the Group will seek to mitigate this risk through internal quality controls and processes, as well as appropriate insurance coverage.

The Company and its subsidiaries are not currently involved in any material contractual disputes or litigation matters with their customers or other third parties. However, there is a risk that they may, in the future, have disputes with customers or other third parties (including payment disputes) and may have potential liabilities as a consequence of any customer contracts that can be complex to manage and may disadvantage the Group in some circumstances.

RISK FACTORS

Further, the Group is party to lease/subleases in respect of its production facilities which contain make good obligations (refer Sections 9.7 and 9.8). The obligations to make good the premises upon termination of a lease may, in some circumstances, result in substantial cost for the Group and may adversely affect the Group's business and results.

In addition, there are several risks associated with contracts entered into by the Group, including the risk that those contracts may contain unfavourable provisions, be terminated or be renewed on less favourable terms.

E. Competition

Failure by the Group to win new projects and/or renew existing contracts could adversely affect its growth prospects, operating results and financial performance.

Aggressive competition by current or future competitors could result in price reductions, reduced margins and loss of market share which may, in turn, adversely affect the Group's growth prospects, operating results and financial performance.

The business in which the Group operates is highly capital-intensive and this acts as a barrier to new competitors. However, the competitive nature of these sectors means that there can be no assurance that the Group will be able to compete successfully against current or future competition.

F. Supply of materials and services

The availability of ongoing supplies of raw materials is a key driver to being able to maintain and grow revenue from the Group's business through expansion or in response to a high-volume customer demand. The Group's business model will involve SSG and/or MSGF negotiating and entering into contracts for the supply of materials, from domestic and overseas suppliers. Therefore, the SSG and MSGF business will rely on its suppliers to provide materials and services in accordance with delivery timeframes and meeting particular product specifications so that SSG and/or MSGF may in turn use those materials and services to perform its contractual obligations to customers.

There is a risk that if SSG and/or MSGF's supply chain is unable to deliver raw materials and/or service requirements, it will be unable to fulfil customer and contract orders in a timely manner or to the standards required. In addition, if any supplier is unable to continue to provide raw materials or services to the Group for any reason and an alternative service provider is not found in a timely manner, the Group's reputation and financial performance will be adversely affected.

The Group will seek to mitigate this risk by maintaining SSG and MSGF's broad range of raw materials suppliers and other service providers, allowing its subsidiaries to source materials and services from alternative suppliers and providers if required.

G. Reliance on suppliers

There is a risk that the Group may be unable to continue to source products from existing suppliers, and in the future, to source products from new suppliers at favourable price, on favourable terms, in a timely manner or in sufficient volumes.

The Group cannot guarantee that any existing arrangements with key suppliers will not be terminated or will be renewed on terms similar to their current terms. The loss or deterioration of the Group's relations with these suppliers, an inability to renew contractual arrangements with such parties, or an inability to negotiate agreements with new parties on terms which are not materially less favourable than existing arrangements may have an adverse effect on the Group's financial and operational performance.

RISK FACTORS

The Group's suppliers are also subject to various risks which could limit their ability to provide the Group with sufficient, or any, products and/or services. Some of these risks include raw material costs, inflation, labour disputes, union activities, natural disasters, disruption in exports, trade restrictions, currency fluctuations and general economic and political conditions.

In addition, as a consequence of the fact that the Group may source a large proportion of its raw materials from overseas, the Group is exposed to risks such as political instability, increased security requirements for foreign goods, costs and delays in international shipping arrangements, imposition of taxes and other charges as well as restrictions on imports, exchange rates and labour and environmental related matters in those overseas jurisdictions. Any of these risks, individual or collectively, could adversely affect the Group's financial and operational performance.

Any failure on the part of the Group to properly understand its supply chain, the drivers of demand or cost inputs may adversely impact the Group's operating and financial performance and financial position.

H. Reliance on others within a construction project

The Group provides installation services for glass products in building construction projects. Glass installation can be one of the final steps in the construction process. The ability for the Group to complete its services on such a project is dependent on the other parties involved in the project having completed their tasks. Unexpected or prolonged delays caused by the non-performance of other contractors to a specific project are commonplace in constructions projects and may adversely affect the Group's position, primarily in respect of delaying payment and increasing holding cost.

I. Currency and exchange rate risks

The Group purchases raw materials from overseas countries and, as a result, expenditures may be denominated in foreign currencies. This results in expenditure and cash flows of the Group being exposed to fluctuations and volatilities in exchange rates, as determined by the international markets.

The Group may enter into strategies to mitigate the effect of foreign exchange fluctuations, however, changes in exchange rate are outside the Group's control.

J. Product liability

Any defects in the products that the Group manufactures and/or supplies through its SSG business may harm its workforce, customers, reputation and business. The Group may also be subject to warranty and liability claims for damages related to defects in its products.

There may also be adverse events reported from the use, misuse or defect of products which could expose the Group to product liability claims or litigation, including if its products cause or contribute or merely appear to have caused or contributed to the injury or death of a person.

Product liability claims may result in substantial litigation costs, contract and order cancellations, decreased sales or demand for the Group's products and damage to its reputation, regardless of merit or eventual outcome.

K. Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Group depend substantially on its senior management and its key personnel. Such personnel include Mr Sunny Chi, Managing Director of the Group. As noted in Section 2, Mr Chi is considered integral to the operations and future growth of the Group's SSG and MSGF businesses.

There cannot be any assurance that a detrimental impact will not be suffered by the Group if one or more of these key personnel cease their employment or engagement with the Group. There is a risk that the Group may not be able to retain personnel or may not be able to source appropriately skilled and experience personnel within the expected salary levels which could result in higher personnel costs.

L. Reliance on the building construction industry demand

The Group's financial performance is sensitive to the level of activity and demand within the building construction industry. The level of activity in the industry can be cyclical and sensitive to a number of factors beyond the Group's control. In addition, the Group may not be able to predict the timing, extent or duration of the activity cycles in the industry.

Any reduction in demand from the building industry, or a reduction in the reliance by the building industry on glass and glass products where customers opt to substitute glass and glass products for other products, may negatively affect the growth prospects, operating results and financial performance of the Group.

There is a risk that the Group may over-estimate demand for its products which may result in excess inventory and adversely affect its operations and results. Conversely, if the Group under-estimates demand and does not have sufficient stock available, it may negatively affect customer-relations.

M. Reliance on key customer relationships

The Group has established and will continue to establish important customer relationships within the building construction industry. The loss of one or more key customers could adversely affect the growth prospects, operating results and financial performance of the Group.

Deterioration in key customer relationships can result in a loss of market share, while the early termination of contracts can result in less than the full value of contracts being realised, or if terminated for a default, a potential liability to the Group.

7.3 Industry-specific risks

The following risks have been identified as being key risks relevant to the construction and glass supply/servicing industry in which the Group operates. These risks have the potential to have a significant adverse impact on the Group and may affect the Group's financial position, prospects and price of its quoted shares.

RISK FACTORS

A. Technology

The Group's success in executing its growth strategy will depend on its ability to enhance products and services, and develop new products so that it can compete in a global marketplace. This will require management to remain at the forefront of technological developments in the industries in which it operates. There can be no assurance that the Group will successfully develop and manufacture new products or that new products will be accepted in the marketplace. If the Group does not successfully introduce new products, the business, operating results and financial condition of the Group may be adversely affected.

The Group endeavours to keep itself abreast of technological developments; however, it is difficult to predict which developments will have a major effect on the market. The Group has to decide and direct its resources accordingly. Some decisions on the perceived significance of the technology and its relevance to the market may be incorrect. If the Group does not direct its resources accordingly, its ability to compete in the future could be adversely affected.

The Group stores customer data in its own systems and networks. Exploitation or hacking of any of these systems or networks could lead to corruption, theft or loss of the data which could adversely affect the Group's operations, results and customer-relations.

B. Research and development

Section 2.9 outlines SSG's research and development programme in respect of its cyclonic glass. SSG is presently exploring options for a cost-effective high-volume manufacturing process for transparent aluminium glass.

The Group makes no representations that any of its research into, or development of, new products will be successful, that the development milestones will be achieved, or that products that are commercially exploitable will be developed.

There are many risks inherent in the development of products, particularly where the products are in the early stages of development. Projects can be delayed or fail to demonstrate any benefit or research may cease to be viable for a range of scientific and commercial reasons.

C. Manufacturing and quality risk

The nature of the custom-made designs of the Group's customers may mean that products cannot be processed in a timely fashion (particularly in response to elevated levels of overall customer demand) and at an appropriate cost, or to the required quality standards. The Group mitigates this risk using its quality assured processing methods, experienced personnel and clearly defined planning process before commencing production. However, there is an inherent risk of defects liability in any manufacturing or supply business. Depending upon the nature and size of the relevant contract, defects liability claims may have a significant impact on the Group's operations, financial performance and financial position.

D. Occupational Health and Safety

Due to the nature of the industry in which the Group operates and the product it produces, there is a potential risk to the health and safety of the Group's employees, contractors, customers or members of the public. If the Group does not comply with its health and safety obligations, it be subject to sanctions and penalties. A health and safety incident has the potential to damage the Group's reputation which could negatively affect its revenue and profitability.

E. Changes in consumer preferences

The Group's competitive advantage is due in part to the ability to deliver a product range which provides appropriate solutions for customer requirements, along with complementary services, in a timely manner at favourable margins in the event of changes in consumer and customer requirements.

Changes in consumer preferences may result in some of the Group's existing product range and service offerings becoming obsolete. Furthermore, any new products may not meet market expectations or margin expectations due to many factors, including the Group's inability to accurately predict demand, end-user preferences and evolving industry standards, to develop products that meet consumer demand in a timely and cost-effective manner, and to achieve manufacturing efficiencies.

F. Dependence on outside parties

The Group may pursue additional contracts that form strategic business relationships with the other organisations for the manufacture and distribution of products and services. The manufacture and distribution of products and services is important to the overall success of the business. There can be no assurance that the Group will be able to attract such prospective organisations and to negotiate appropriate terms and conditions with these organisations.

7.4 General investment risks

The business activities of the Group are subject to various general economic and investment risks that may impact on the future performance of the Group. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Group and cannot be mitigated. There are a number of economic and investment risk factors that apply to companies generally and may include economic, financial, market or regulatory conditions.

These risk factors include, but are not limited to, the following:

A. Future capital requirements

The Group's ongoing activities are likely to require substantial further financing to enable it to implement its growth and business objectives, in addition to amounts raised pursuant to the Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Offer Price or may involve restrictive covenants which limit the Group's operations and business strategy.

Although the Board believes that additional capital can be obtained, there cannot be any assurance that appropriate capital or funding, if and when needed, will be available on terms favourable to the Group or at all. If the Group is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend parts of its strategy which may result in a material adverse effect on the Company's activities financial performance.

B. Potential acquisitions

The Group may, in the future, pursue strategic acquisitions in the course of its business. Growth through acquisition entails numerous operational and financial risks. These risks include, but are not limited to, poor integration of the acquired businesses, entry into market segments with more risk than existing operations, and loss of managerial focus on existing businesses. These risks may have an adverse impact on the Group's financial performance.

C. Growth strategy

Future growth of sales is dependent upon many factors. There is no assurance of growth in sales is sustainable or indicative of future growth, profitability or ability to pay dividends; nor is there any assurance that the revenue will increase in response to research and development, marketing or promotional activities undertaken by the Group.

D. Liquidity and volatility

There can be no guarantee that an active market in the Shares will develop or that the price of Shares will increase. There may be relatively few potential buyers or sellers of the Shares on the ASX at any time. This may increase the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price that Shareholders paid.

Certain Shares are subject to escrow arrangement as set out in Section 2.16 of the Prospectus. This could affect the prevailing market price at which Shareholders are able to sell their Shares at certain points in time, as such Shares may be illiquid during the escrow period but may be extremely liquid when those Shares come out of escrow.

E. General economic conditions

Economic conditions, both domestic and global, may affect the performance of the Group. Factors such as new legislation, movements in interests and inflation rates, fluctuations in currencies, commodity prices, supply and demand and industrial disruption may have an impact on the Group's operating costs and business plans, as well as its ability to fund those activities.

General economic conditions may also affect the value of the Company and its valuation regardless of its actual performance.

F. Equity market conditions

Shares listed on any securities market, and in particular securities of small companies, can experience extreme price and volume fluctuations that are often seen unrelated to the operating performances of such companies. The market price of securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. These security market conditions may affect the value of the Company's quoted Shares and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offer.

General factors that may affect the market price of securities include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, pandemic, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

Further, after the end of the relevant escrow period affecting Shares in the Company, a significant sale of then tradeable Shares (or the market perception that such a sale might occur) could have an adverse effect on the Company's Share price. Refer to Section 2.16 for further details of the Shares likely to be classified by the ASX as restricted securities.

G. General changes in government policy and legislation

Any material adverse changes in relevant government policies or legislation of Australia which affects the Group or internationally (where products are provided overseas) may affect the viability and profitability of the Group, and consequent returns to investors.

H. Investment risk

The Shares offered pursuant to this Prospectus should be considered speculative due to the nature of the Group's business. There can be no assurance as to payment of dividends, return of capital or the market value of the Shares. In particular, the price at which an investor may be able to trade the Shares may be above or below the price paid for those Shares.

Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Group is appropriate having regard to their own particular circumstances.

I. Insurance

The Group intends to review its insurance for its operations in accordance with industry practice. However, in certain circumstances, the Group's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Group.

Insurance of all risks associated with production and supply of glass products is not always available and where available the costs can be prohibitive.

J. Force majeure

Force majeure is a term used to refer to an event beyond the control of a party claiming that the event has occurred. These include, but are not limited to, acts of God, fire, flood, earthquakes, war and strikes. To the extent that force majeure events occur, they may adversely affect the Group's financial performance, the value and price of Shares and the Group's ability to operate.

K. Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each prospective investors. Investors are urged to obtain independent professional advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by the law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

L. Other

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Group.



► 8

Independent Limited Assurance Report



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AUSTRALIA SUNNY GLASS GROUP LIMITED Independent Limited Assurance Report

16 May 2022





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Australia

16 May 2022

The Directors

Australia Sunny Glass Group Limited

82 Belmont Avenue

Rivervale WA 6103

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT

1. INTRODUCTION

BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) has been engaged by Australia Sunny Glass Group Limited (**'ASGG'** or **'the Company'**) to prepare this Independent Limited Assurance Report (**'Report'**) in relation to certain financial information of ASGG. This Report accompanies the Prospectus issued by ASGG to raise funds and to apply for the admission to the Official List of the Australian Securities Exchange (**'ASX'**). Broadly, the Prospectus will offer up to 21,428,571 ASGG Shares at an issue price of \$0.35 each to raise up to \$7,500,000 before costs (**'the Offer'**). The Offer is subject to a minimum subscription level of 14,285,714 Shares to raise \$5,000,000 before costs.

Expressions defined in the Prospectus have the same meaning in this Report. BDO holds an Australian Financial Services Licence (AFS Licence Number 316158) and our Financial Services Guide (**'FSG'**) has been included in this report in the event you are a retail investor. Our FSG provides you with information on how to contact us, our services, remuneration, associations, and relationships.

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

2. SCOPE

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested BDO to review the following historical financial information (together the **‘Historical Financial Information’**) of ASGG included in the Prospectus:

- the audited historical Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the years ended 30 June 2020 and 30 June 2021, and the reviewed historical Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the half years ended 31 December 2020 and 31 December 2021; and
- the reviewed historical Statement of Financial Position as at 31 December 2021.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company’s adopted accounting policies. The Historical Financial Information has been extracted from the financial reports of ASGG for:

- the years ended 30 June 2020 and 30 June 2021, which were audited by BDO Audit (WA) Pty Ltd (**‘BDO Audit’**) in accordance with Australian Auditing Standards; and
- the half year ended 31 December 2021, which was reviewed by HLB Mann Judd (WA Partnership) (**‘HLB’**), in accordance with the review provisions of Australian Auditing Standards.

Both BDO Audit and HLB issued unmodified audit and review opinions on the respective financial reports. However in the financial reports for the year ended 30 June 2021 and the half year ended 31 December 2021, the auditors also highlighted the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. The opinions were not modified in respect of this matter.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the **‘Pro Forma Historical Financial Information’**) of ASGG included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 31 December 2021.

The Pro Forma Historical Financial Information has been derived from the historical financial information of ASGG, after adjusting for the pro forma adjustments described in Section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company’s actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by ASGG to illustrate the impact of the events or transactions described in Section 6 and Section 7 of the Report on ASGG's financial position as at 31 December 2021. As part of this process, information about the Company's financial position has been extracted by ASGG from its financial statements for the half year ended 31 December 2021.

3. DIRECTORS' RESPONSIBILITY

The directors of ASGG are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. OUR RESPONSIBILITY

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. CONCLUSION

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the audited historical Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for ASGG for the years ended 30 June 2020 and 30 June 2021 and the reviewed historical Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the half year ended 31 December 2021 (and the comparative period for the half year ended 31 December 2020); and
- the reviewed Statement of Financial Position of ASGG as at 31 December 2021,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Statement of Financial Position of ASGG as at 31 December 2021, is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. SUBSEQUENT EVENTS

The pro-forma statement of financial position reflects the following events that have occurred subsequent to the period ended 31 December 2021:

- The Company repaid a National Australia Bank Limited ('NAB') Trade Financing loan which had a balance of \$497,331 at 31 December 2021 from its cash reserves.

Apart from the matters dealt within this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of ASGG, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. ASSUMPTIONS ADOPTED IN COMPILING THE PRO-FORMA STATEMENT OF FINANCIAL POSITION

The pro forma historical Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial statements as at 31 December 2021, the subsequent events set out in Section 6 and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of 14,285,714 Shares at an offer price of \$0.35 each to raise \$5 million before costs pursuant to the Prospectus, based on the minimum subscription;
- The issue of 21,428,571 Shares at an offer price of \$0.35 each to raise \$7.5 million before costs pursuant to the Prospectus, based on the maximum subscription; and
- Cash costs of the Offer are estimated to be \$590,000 and \$730,000 for the minimum and maximum raises respectively. Those costs which are directly attributable to the capital raising, being \$271,756 and \$404,264 for the minimum and maximum raises respectively, are offset against the contributed equity, while the remaining costs of the Offer, being \$318,244 and \$325,736 for the minimum and maximum raises respectively, are expensed through accumulated losses.

8. INDEPENDENCE

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the proposed ASX listing other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received. BDO Audit was the auditor of ASGG for the years ended 30 June 2020 and 30 June 2021. From time to time, BDO also provides ASGG with certain other professional services for which normal professional fees are received.

9. DISCLOSURES

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd



Sherif Andrawes
Director

APPENDIX 1

AUSTRALIA SUNNY GLASS GROUP LIMITED

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half year ended 31-Dec-21 \$	Reviewed for the half year ended 31-Dec-20 \$
Revenue	5,116,815	2,853,040
Cost of goods sold	(3,540,915)	(2,512,845)
Gross profit	1,575,900	340,196
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 gain/(loss)	(17,415)	-
Loss before income tax expense from continuing operations	(679,826)	(2,076,938)
Income tax (expense)/benefit	-	-
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)

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 30-Jun-21 \$	Audited for the year ended 30-Jun-20 \$
Revenue	10,469,612	24,000
Cost of goods sold	(6,370,123)	-
Gross profit	4,099,489	24,000
Other income	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	(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	(1,107,855)	(26,350)
Income tax (expense)/benefit	194,768	(15,310)
Loss after income tax expense for the period attributable to the owners of Australia Sunny Glass Group Limited	(913,087)	(41,660)
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	(913,087)	(41,660)

The Consolidated Statements of Profit or Loss and Other Comprehensive Income show the historical financial performance of the Company and are to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 3 and the Consolidated Statements of Cash Flows set out in Appendix 4. Past performance is not a guide to future performance.

APPENDIX 2

AUSTRALIA SUNNY GLASS GROUP LIMITED

PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Reviewed as at 31-Dec-21 \$	Subsequent events \$	Pro-forma adjustments Min \$	Pro-forma adjustments Max \$	Pro-forma after Offer Min \$	Pro-forma after Offer Max \$
CURRENT ASSETS							
Cash and cash equivalents	4	608,732	(497,331)	4,410,000	6,770,000	4,521,401	6,881,401
Trade receivables		1,666,225	-	-	-	1,666,225	1,666,225
Other receivables		1,966,173	-	-	-	1,966,173	1,966,173
Inventory		1,386,664	-	-	-	1,386,664	1,386,664
TOTAL CURRENT ASSETS		5,627,794	(497,331)	4,410,000	6,770,000	9,540,463	11,900,463
NON-CURRENT ASSETS							
Property, plant and equipment		3,330,899	-	-	-	3,330,899	3,330,899
Right of use assets		5,762,000	-	-	-	5,762,000	5,762,000
TOTAL NON-CURRENT ASSETS		9,092,899	-	-	-	9,092,899	9,092,899
TOTAL ASSETS		14,720,693	(497,331)	4,410,000	6,770,000	18,633,362	20,993,362
CURRENT LIABILITIES							
Trade and other payables		1,850,421	-	-	-	1,850,421	1,850,421
Borrowings	5	568,580	(497,331)	-	-	71,249	71,249
Lease liabilities		709,041	-	-	-	709,041	709,041
TOTAL CURRENT LIABILITIES		3,128,042	(497,331)	-	-	2,630,711	2,630,711
NON-CURRENT LIABILITIES							
Borrowings		202,940	-	-	-	202,940	202,940
Lease liabilities		5,431,973	-	-	-	5,431,973	5,431,973
TOTAL NON-CURRENT LIABILITIES		5,634,913	-	-	-	5,634,913	5,634,913
TOTAL LIABILITIES		8,762,955	(497,331)	-	-	8,265,624	8,265,624
NET ASSETS		5,957,738	-	4,410,000	6,770,000	10,367,738	12,727,738
EQUITY							
Issued capital	6	11,077,944	-	4,728,244	7,095,736	15,806,188	18,173,680
Reserves		(3,474,146)	-	-	-	(3,474,146)	(3,474,146)
Accumulated losses	7	(1,646,060)	-	(318,244)	(325,736)	(1,964,304)	(1,971,796)
TOTAL EQUITY		5,957,738	-	4,410,000	6,770,000	10,367,738	12,727,738

The cash and cash equivalents balance above does not account for working capital movements over the period from 31 December 2021 until completion. The Company has advised that, on or about the date of this report, its cash balance and net working capital position is \$168,668 and \$756,453, respectively.

The pro-forma Statement of Financial Position after the Offer is as per the Statement of Financial Position before the Offer, adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 3 and the Consolidated Statements of Cash Flows set out in Appendix 4.

APPENDIX 3
AUSTRALIA SUNNY GLASS GROUP LIMITED
NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the Historical Financial Information included in this Report have been set out below.

a) Basis of preparation of historical financial information

The Historical Financial Information has been prepared in accordance with the recognition and measurement requirements but not the presentation requirements of 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 financial information for the year ended 30 June 2020 reflect the Company's results as a standalone entity while the financial information relating to periods after 30 June 2020 reflect the results of the Company on a consolidated basis following the acquisition of Sydney Sunny Glass Pty Ltd, which occurred on 15 August 2020 and the establishment of Melbourne Sunny Glass Façade Pty Ltd on 20 August 2020.

Historical cost convention

The Historical Financial Information has 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 Historical Financial Information requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information, are disclosed in notes hereafter.

b) Principles of consolidation

The consolidated financial information incorporates the assets and liabilities of all subsidiaries of Australia Sunny Glass Group Limited and the results of all subsidiaries for the respective periods.

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when the Company 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 Company. They are de- consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Company 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 Company.

c) Foreign currency translation

The historical financial information is 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

d) 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.

e) 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.

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.

f) Revenue recognition

Construction Revenue

The Company 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 Company. 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 Company 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.

g) 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.

h) Acquisition of subsidiaries

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

i) Share-based payment transactions

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

j) Going concern

The Historical Financial Information has been prepared on a 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 Company 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 Company 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 Company and the forecasted expenditure, there is a material uncertainty in relation to the Company's ability to remain a going concern. The Board of Directors and management note the following mitigating factors:

- the Company is working towards capital raising initiatives (such as the Offer under the Prospectus) 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 Company is forecasted to return to positive cashflow from operations, following completion of the Box Hill Project.

Accordingly, the Directors believe that the Company 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 Company not be successful in generating sufficient funds as outlined above, there is a material uncertainty that may cause significant doubt as to whether the Company 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 Historical Financial Information does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Company not continue as a going concern.

k) Estimates and judgments

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 Company 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.

l) Operating segments

Identification of reportable operating segments

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

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

m) 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.

n) 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.

o) 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.

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.

p) 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.

q) 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.

r) 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.

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

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

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

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

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

NOTE 2: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 3: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

	Reviewed as at 31-Dec-21	Pro-forma after Offer Min	Pro-forma after Offer Max
NOTE 4. CASH AND CASH EQUIVALENTS	\$	\$	\$
Cash and cash equivalents	608,732	4,521,401	6,881,401
Reviewed balance of ASGG at 31 December 2021		608,732	608,732
<i>Subsequent events:</i>			
Repayment of NAB Trade Finance loan		(497,331)	(497,331)
		(497,331)	(497,331)
<i>Pro-forma adjustments:</i>			
Proceeds from shares issued under this Prospectus		5,000,000	7,500,000
Capital raising costs		(590,000)	(730,000)
		4,410,000	6,770,000
Pro-forma Balance		4,521,401	6,881,401

	Reviewed as at 31-Dec-21	Pro-forma after Offer Min	Pro-forma after Offer Max
NOTE 5. CURRENT BORROWINGS	\$	\$	\$
Borrowings	568,580	71,249	71,249
Reviewed balance of ASGG at 31 December 2021		568,580	568,580
<i>Subsequent events:</i>			
Repayment of NAB Trade Finance loan		(497,331)	(497,331)
		(497,331)	(497,331)
Pro-forma Balance		71,249	71,249

		Reviewed as at 31-Dec-21	Pro-forma after Offer Min	Pro-forma after Offer Max
NOTE 6. ISSUED CAPITAL		\$	\$	\$
Issued capital		11,077,944	15,806,188	18,173,680
	Number of shares (min)	Number of shares (max)	\$ (min)	\$ (max)
<i>Reviewed balance of ASGG at 31 December 2021:</i>				
Ordinary fully paid shares on issue	86,294,836	86,294,836	11,077,944	11,077,944
<i>Pro-forma adjustments:</i>				
Proceeds from shares issued under this Prospectus	14,285,714	21,428,571	5,000,000	7,500,000
Costs of the Offer capitalised	-	-	(271,756)	(404,264)
	14,285,714	21,428,571	4,728,244	7,095,736
Pro-forma Balance	100,580,550	107,723,407	15,806,188	18,173,680

We note that the Company has only one class of securities on issue, being fully paid ordinary shares.

	Reviewed as at 31-Dec-21	Pro-forma after Offer Min	Pro-forma after Offer Max
NOTE 7. ACCUMULATED LOSSES	\$	\$	\$
Accumulated losses	(1,646,060)	(1,964,304)	(1,971,796)
Reviewed balance of ASGG at 31 December 2021		(1,646,060)	(1,646,060)
<i>Pro-forma adjustments:</i>			
Costs of the Offer not directly attributable to the capital raising		(318,244)	(325,736)
Pro-forma Balance		(1,964,304)	(1,971,796)

APPENDIX 4

AUSTRALIA SUNNY GLASS GROUP LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS

Consolidated Statement of Cash Flows	Reviewed for the half year ended 31-Dec-21 \$	Reviewed for the half year ended 31-Dec-20 \$
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
Income taxes received	-	-
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 of investments	-	960,934
Investment income (net of GST)	-	3,443
Loan advanced to Sydney Sunny Glass Pty Ltd	-	-
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

Consolidated Statement of Cash Flows	Reviewed for the year ended 30-Jun-21 \$	Reviewed for the year ended 30-Jun-20 \$
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)
Interest received	1,330	6,840
Interest paid	(322,205)	-
Government grants received	520,050	-
Income taxes received	194,768	-
Net cash (used in) operating activities	(730,303)	(54,093)
Cash flow from investing activities		
Payments for property, plant and equipment	(625,507)	(6,223)
Proceeds from sale of 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)	(360,006)
Cash flow from financing activities		
Proceeds from the issue of shares	1,801,475	-
Repayment of ROU leases	1,258,647	(4,919)
Proceeds from borrowings	(384,569)	-
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 period	296,486	715,504
Cash and cash equivalents at the end of the financial period	1,616,229	296,486

The Consolidated Statements of Cash Flows show the historical cash flows of the Company and are to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 3.

APPENDIX 5

FINANCIAL SERVICES GUIDE

16 May 2022

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Australia Sunny Glass Group Limited ('ASGG' or 'the Company') to provide an Independent Limited Assurance Report ('ILAR' 'our Report') for inclusion in this Prospectus.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our Report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide an ILAR in connection with the financial product of another entity. Our Report indicates who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our Report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this Report. These fees are negotiated and agreed with the client who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$24,200 (exclusive of GST).

BDO Audit (WA) Pty Ltd was the appointed independent auditor of the Company for the years ended 30 June 2020 and 30 June 2021. BDO Corporate Tax (WA) Pty Ltd has provided taxation services to the Company and has charged fees of approximately \$13,875 for the provision of these services over the past two years. Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from ASGG for our professional services in providing this Report. That fee is not linked in any way with our opinion as expressed in this Report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints can be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, Level 9, Mia Yellagonga Tower 2, 5 Spring Street, Perth WA 6000, or by telephone or email using the contact details within our report.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within one business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

If a complaint is made and the complainant is dissatisfied with the outcome of the above process, or our determination, the complainant has the right to refer the matter to the Australian Financial Complaints Authority Limited ('AFCA').

AFCA is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below:

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 931 678
Website: www.afca.org.au

Contact details

You may contact us using the details set out on page 1 of our Report.



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► 9

Summary of Material Contracts

9.1 Introduction

Set out below are summaries of various contracts entered into by the Group which are or may be material to the Offer or the operation of the Group's business or otherwise are or may be relevant to a potential investor in the Company.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

9.2 Lead Manager Mandate

The Company and the Lead Manager have entered into the Lead Manager Mandate, the material terms of which are as follows:

- **Engagement:** The Lead Manager is engaged to:
 - act as underwriter to the Offer for up to \$2,500,000, subject to entering into a formal underwriting agreement; and
 - act as lead manager to the Offer, to facilitate the raising of sufficient funds under the Offer, on a "best-endeavours" basis.
- **Fees:** The Company will pay to the Lead Manager:
 - an underwriting fee of 5% on the Underwritten Amount; and
 - a lead manager fee of 5% on all funds raised above the Underwritten Amount under the Offer.
- **Reimbursement:** The Company will reimburse the Lead Manager for all reasonable out-of-pocket expenses incurred in the course of fulfilling its obligations as lead manager.
- **Indemnity:** Subject to certain exclusions relating to fraud, negligence or wilful default, both parties indemnify each other and their respective associates against loss, liability and costs incurred directly or indirectly as a result or in relation to performance of the Lead Manager Mandate or any applicable law or regulation.
- **Termination:** Either party may terminate the Lead Manager Mandate by providing 30 days written notice.

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.3 Underwriting Agreement

The Company and the Lead Manager have entered into the Underwriting Agreement, the material terms of which are as follows:

- **Underwriting Commitment:** The Lead Manager agrees to partially underwrite the shortfall in subscriptions under the Offer, up to 7,142,857 Shares at \$0.35 per Share (i.e. the Underwritten Amount).
- **Sub-underwriting:** The Lead Manager may at its absolute discretion engage sub-underwriters to sub-underwrite the Lead Manager's obligations to subscribe for Shares pursuant to the Underwriting Agreement.

SUMMARY OF MATERIAL CONTRACTS

- **Conditions Precedent:** The Lead Manager's obligation to underwrite is subject to the following conditions precedent:
 - the Company lodging, in a form approved by the Lead Manager, this Prospectus and associated offer materials in respect of the Offer in accordance with the timetable in the Underwriting Agreement;
 - the Company lodging this Prospectus and an application with the ASX for admission to the Official List;
 - the Company applying for quotation of the Shares under the Offer within 7 days after the date of this Prospectus; and
 - ASX conditionally agreeing to admit the Company to the Official List and the Company satisfying all conditions of the admission, save for the issue of underwritten Shares to the Lead Manager.
- **Fees:** The Company will pay the Lead Manager an underwriting fee equal to 5% of the Underwritten Amount, exclusive of GST.
- **Reimbursement:** The Company will reimburse the Lead Manager for reasonable costs and expenses of and incidental to the Offer.
- **Termination:** At any time before the issue of the underwritten Shares to the Lead Manager, in the following circumstances, the Lead Manager may terminate by notice in writing to the Company:
 - the ASX Listing or Offer is withdrawn or modified without the prior written consent of the Lead Manager;
 - a 'material adverse event' occurs after the date of the agreement which individually, or in aggregate, has or is reasonably likely to have a significant adverse effect on the outcome of the Offer in so far as it relates to the assets, liabilities, financial position, performance, profitability or prospects of the Group as a whole, excluding:
 - any event required to be undertaken or procured by the Group pursuant to the Offer; or
 - the COVID-19 pandemic;
 - an event of insolvency occurs in relation to the Company or any of its subsidiaries (e.g. having an administrator, liquidator or receiver appointed);
 - any disclosure material causes a Company warranty to cease to be true and correct in all material respects and it has or ought to reasonably have a significant adverse effect on the outcome of the Offer; or
 - any Company warranty ceases to be true and correct in all material respects and such breach has or ought reasonably to have a significant adverse effect on the outcome of the Offer.

If the Company terminates, the Company must pay in cleared funds to the Lead Manager within 3 business days after the termination, any costs and expenses incurred or accrued up to and including the date of termination.

- **Indemnity:** The Company will indemnify the Lead Manager and its related parties (including officers, directors, employees, agents and representatives) from and against liabilities incurred in respect of a number of events which are of the type and form that are considered usual for an underwriting agreement of this nature, including (but not limited to):
 - non-compliance or breach by the Company of the Corporations Act or ASX Listing Rules in relation to the offer materials;
 - any advertising of the Offer;
 - any statement, misstatement, misrepresentation, non-disclosure, inaccuracy in or omission from the Offer materials;
 - any breach or failure by the Company to observe the terms of the Underwriting Agreement; or
 - reasonable costs and expenses incurred in connection with investigating, preparing or defending any claim or potential claim in relation to the offer materials.

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.4 Employment Agreements with Executive Directors

The Company has entered into separate employment agreements with its executive Directors Shengqiang "Sunny" Chi and Sok Kiang Teoh. The material terms of the agreements are as follows:

- **Positions:**
 - Sunny Chi is employed as Managing Director of the Company for a term of 3 years, commencing on 7 August 2020.
 - Sok Kiang Teoh is employed as an executive Director of the Company until 1 March 2023 or such later date as decided by the Company.
- **Remuneration:**
 - Sunny Chi is to be paid a salary of \$150,000 per annum (exclusive of statutory superannuation). The salary is to be paid by SSG on behalf of the Company.
 - Sok Kiang Teoh is to be paid a salary of \$120,000 gross per annum (exclusive of statutory superannuation).
- **D&O insurance:** The Company will effect and maintain, directors' and officers' liability insurance policies for the duration of the Directors' terms of office.
- **Termination:**
 - Each party may terminate by giving 3 months written notice to the other party. The Company may terminate immediately for misconduct or other matters that are usual grounds for summary dismissal. If the Company terminates for any other reason, it must pay to the Director all accrued remuneration, all outstanding expenses, payment in lieu of leave entitlements and annual salary payable from the date of termination up to and including the expiry date.
 - Upon termination, the Director will continue to hold office as a non-executive Director until the Director resigns or is removed by operation of law or resolution of Shareholders.

The agreements otherwise contain terms and conditions considered standard for executive employment agreements of this nature, including provisions regarding disclosure of interests in Securities of the Company and compliance with ASX requirements.

9.5 Non-executive Director Appointment Letters

The Company has entered into letters of appointment with each of its non-executive Directors, Joshua Letcher, Seok San "Susan" Tan and Kunal Malhotra, setting out the terms and conditions of their respective appointments.

The material terms of the letters of appointment are as follows:

- **Appointments:** Joshua Letcher, Susan Tan and Kunal Malhotra are appointed as non-executive Directors of the Company. In addition, Joshua Letcher is appointed as chairperson of the Board.
- **Remuneration:** Each Director is entitled to be paid an annual director's fee of \$20,000 (exclusive of superannuation) for their service as a Director.
- **D&O insurance:** Each Director will be covered by a directors' and officers' liability insurance policy taken out by the Company in accordance with the terms of separate deeds of indemnity, access and insurance that the Company has executed with each Director.

The letters otherwise contain terms and conditions considered standard for engagement letters of this nature, including provisions regarding disclosure of interests in Securities of the Company and compliance with ASX requirements.

9.6 Deed of Indemnity, Access and Insurance

The Company has entered into Deeds of Indemnity, Access and Insurance with each Director and the Company Secretary, Natalie Teo.

The material terms of these deeds are as follows:

- **Indemnity:** The Company agrees to indemnify each officer against liability incurred or suffered in the course of or in relation to the officer acting in that position, under specified circumstances.
- **Insurance:** The Company will maintain directors' and officers' insurance in favour of each officer while they hold such office, and for a run-off period of 7 years after ceasing to be an officer.
- **Access:** The Company will provide access to any company records which are relevant to the officer's holding of office with the Company, during the period that the officer holds office and for a period of 7 years after the officer ceases to be an officer of the Company.

The deeds otherwise contain terms and conditions considered standard for deeds of this nature.

9.7 Sublease – Smithfield Premises

SSG has entered into a sublease agreement with BauMart Holdings Limited (as Sublessor) and KAL Smithfield Pty Ltd (as Landlord) for the letting of the premises at 239-251 Woodpark Road, Smithfield, NSW.

The material terms of the Sublease are as follows:

- **Premises:** The property at 239-251 Woodpark Road, Smithfield, NSW and being the warehouse, office, front carpark, and surrounding curtilage.
- **Current Rent:** \$480,000 per annum (exclusive of GST).
- **Rent Reviews:** Market rent review on each option renewal date (see below) and CPI review on 19 April in each other calendar year during the term.
- **Outgoings:** Sublessee to pay the Sublessee's Proportion of Outgoings (as that term is defined in the Head Lease).
- **Bank Guarantee/Security Bond:** Not applicable.
- **Permitted Use:** Processing and storage of glass and associated manufacturing products.
- **End Date:** 18 April 2023.
- **Option(s) to Renew:** Three options to renew of 5 years each, commencing on 19 April in 2023, 2028, and 2033 respectively, each subject to the Sublessor having exercised its option to renew under the Head Lease.
- **Option to Purchase:** Not applicable.

The Sublease otherwise contains terms which are customary for an agreement of this nature.

9.8 Lease – Clayton South Premises

MSGF has entered into a lease agreement with 98 Fairbank Road Pty Ltd (as Landlord) for the letting of the premises at Part 185-189 Osborne Avenue, Clayton South, Victoria.

The material terms of the Lease are as follows:

- **Premises:** The property at Part 185-189 Osborne Avenue, Clayton South, Victoria and being the warehouse, garden and yard areas.
- **Current Rent:** \$336,375 per annum (exclusive of GST).
- **Rent Reviews:** Market rent review on each option renewal date (see below) and fixed annual increases of 3.5% during the term of the Lease.
- **Outgoings:** Tenant to pay 100% of all building outgoings.
- **Bank Guarantee/Security Bond:** Unconditional bank guarantee with no expiry date for an amount equivalent to 3 months' rent plus GST in a form and from a financial institution satisfactory to the Landlord.
- **Permitted Use:** Manufacturing of aluminium windows with associated office, but specifically excluding waste product storage.
- **End Date:** 31 October 2023.
- **Option(s) to Renew:** Option to renew for one further term of 3 years, subject to the Tenant having exercised its option to renew by 31 May 2023 under the Lease.
- **Option to Purchase:** Not applicable.

The Lease otherwise contains terms which are customary for an agreement of this nature.

► 10

Terms of Shares

TERMS OF SHARES

The Shares issued under this Prospectus will be fully paid ordinary shares in the capital of the Company and will rank equally with the Existing Shares.

Full details of the rights and liabilities attaching to the Shares are contained in the New Constitution of the Company and, in certain circumstances, are regulated by the Corporations Act, the ASX Listing Rules (on admission to the Official List of ASX), and the common law. The New Constitution will come into effect upon the Company's admission to the Official List of ASX and is available for inspection free of charge at the Company's registered office during normal business hours.

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to the Shares:

A. General meetings

A Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the New Constitution, the Corporations Act and the ASX listing rules.

B. Voting rights

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each fully paid share held and in respect of a partly paid share, a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.

Where there is an equality of votes, the chair of the meeting does not have a casting vote and the matter will be determined in the negative.

C. Dividends

Subject to the New Constitution, applicable law and any rights and restrictions attached to a share or class of shares, the Directors may declare and pay any interim, special or final dividends at any time in their discretion.

All dividends in respect of a share must be paid in the proportion that the amount paid (not credited) on the share bears to the total amounts paid and payable (excluding amounts credited) on the share.

The Directors may direct that payment of the dividend be made wholly or in part by the distribution of specific assets or other securities of the Company.

D. Transfer of Shares

Subject to the New Constitution and applicable law, shares in the Company may be transferred by an instrument in writing in any usual or common form or in any other form that the Directors, in their absolute discretion, approve from time to time.

The Directors may refuse to register a transfer of shares only where the law permits or requires it, or the shares are restricted securities under the ASX listing rules.

TERMS OF SHARES

E. Issue of Shares

Subject to the New Constitution and applicable law:

- shares in the Company are under the control of the Directors, who may issue shares to such persons, and on such terms, as the Directors determine; and
- the Directors have the right to grant options or other securities, to any person, for any consideration.

F. Variation of rights

The rights attached to shares in the Company may be varied or cancelled with the written consent of the holders of 75% of the issued shares, or by a special resolution passed at a general meeting of Shareholders.

G. Winding up

On a winding up of the Company, subject to the New Constitution, applicable law and any rights or restrictions attached to shares, the surplus assets of the Company which remain after payment of its debts are divisible among the Shareholders in proportion to the number of fully paid shares held by them. In this regard, a partly paid share is counted as a fraction of a fully paid share equal to the proportion which the amount paid on it bears to the total issue price of the share.

H. Small parcels

In accordance with the Corporations Act and the ASX listing rules, the Board may sell a share that is less than a 'marketable parcel' for the purposes of the ASX listing rules, in accordance with the procedures set out in the New Constitution.

I. Shareholder liability

As the Shares under this Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

J. Restricted securities

In accordance with ASX listing rule 15.12:

- (i) a Shareholder who holds shares which are classified as restricted securities (**Restricted shares**):
 - a. must not dispose of, or agree to dispose of, the Restricted shares during the applicable restriction period, except as permitted by the ASX listing rules or ASX;
 - b. is taken to have agreed in writing that the Restricted shares (which will be in the same class as quoted shares) are to be kept on the Company's issuer-sponsored subregister and have a holding lock applied to them for the duration of the restriction period;
 - c. will not be entitled to participate in any return of capital on the Restricted shares during the restriction period, except as permitted by the ASX listing rules or ASX;
- (ii) the Company must refuse to register a disposal of the Restricted shares (including a transfer) during the restriction period, except as permitted by the ASX listing rules or ASX; and

TERMS OF SHARES

- (iii) if the Shareholder breaches a restriction deed or a provision of the New Constitution restricting the disposal of the Restricted shares, the Shareholder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of the Restricted shares for so long as the breach continues.

K. Alteration of Constitution

The New Constitution can only be amended by a special resolution passed by Shareholders present and voting at a general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.



► 11

Additional Information

11.1 Remuneration of Directors

The Company's Existing and New Constitutions both provide that the Directors may be paid for their services as Directors.

Both Constitutions also provides that Non-Executive Directors may collectively be paid, as remuneration for their services, a fixed sum not exceeding the aggregate maximum set by Shareholders in general meeting. As at the Prospectus Date, the aggregate maximum has been set at \$240,000.

A Director may be paid fees or other amounts as the Board determines, where a Director performs duties or provides services outside the scope of their normal duties. A Director may also be reimbursed for out-of-pocket expenses incurred as a result of their directorship or any special duties.

The table below sets out the current annual remuneration of each Director and the aggregate remuneration paid to them in the past 2 years.

Director	Annual remuneration (unaudited)	Remuneration over past 2 years (audited)
Joshua Letcher ⁴	\$20,000	-
Shengqiang "Sunny" Chi ²	\$215,168	\$190,471
Sok Kiang Teoh ²	\$168,827	\$195,197
Seok San "Susan" Tan ³	\$20,000	\$60,000
Kunal Malhotra ⁵	\$20,000	-

Notes:

1. All amounts in the table above are exclusive of superannuation.
2. Non-cash remuneration for Mr Chi and Mr Teoh includes annual leave and vehicle fringe benefits. Current annual remuneration for Mr Chi and Mr Teoh includes non-cash remuneration of \$65,168 and \$48,827 respectively.
3. Ms Tan was previously an executive Director and was re-designated as a non-executive Director on 1 June 2021.
4. Mr Letcher was appointed non-executive Chairman on 12 October 2021.
5. Mr Malhotra was appointed non-executive Director on 12 October 2021.
6. Details of audited remuneration of the Directors were obtained from the Company's 2021 Annual Report and are comprised of remuneration for the financial years ended 30 June 2020 and 30 June 2021.

11.2 Security holding interests of Directors

The following table sets out the relevant interest of each of Director in the Securities of the Company at the Prospectus Date, and their current (non-binding) intentions regarding participation in the Offer.

Director	Shares pre-Offer	Shares issued under the Prospectus	Total Shares post-Offer
Joshua Letcher	-	-	-
Shengqiang “Sunny” Chi ²	34,801,532	-	34,801,532
Sok Kiang Teoh	1,500,000	-	1,500,000
Seok San “Susan” Tan	12,000,000	-	12,000,000
Kunal Malhotra	-	-	-

Notes:

1. The table above assumes that none of the above-mentioned persons will subscribe for Shares under the Offer. Each Director may participate in the Offer directly and indirectly (e.g. through corporate or trust structures).
2. Mr Sunny Chi’s holdings comprises of 15,201,532 Shares held directly and those held by his closely related parties, Liwei “Eric” Chi and Xianjin “Rachel” Yan, who each have 11,200,000 Shares and 8,400,000 Shares respectively.

At the Company’s general meeting on 6 May 2022, Shareholders approved the participation of Directors in the Offer pursuant to NSX Listing Rule 6.44 (Section 2A). Each Director may therefore participate in the Offer and apply for Shares on the same terms (including scale-back) as other potential Applicants. Importantly, this is not a statement of any Director’s intention to apply for Shares.

11.3 Expenses of the Offer

The expenses of the Offer are expected to comprise the following estimated costs and are exclusive of any GST payable by the Company.

ADDITIONAL INFORMATION

Expense	Minimum Subscription	With Oversubscription
ASIC fees	\$3,206	\$3,206
ASX fees	\$177,958	\$191,680
Legal fees	\$50,000	\$50,000
Investigating Accountant fees	\$24,200	\$24,200
Lead Manager fees	\$125,000	\$250,000
Underwriting fees	\$125,000	\$125,000
Project coordinator fees	\$50,000	\$50,000
NSX delisting fees	\$5,000	\$5,000
Promotion, printing, distribution and registry expenses	\$18,382	\$18,382
Miscellaneous costs	\$11,254	\$12,532
TOTALS	\$590,000	\$730,000

11.4 Taxation implications

The taxation obligations and the effects of participating in the Offer can vary depending on the circumstances of each individual investor. Applicants who are in doubt as to their taxation position should seek professional advice. It is the sole responsibility of Applicants to inform themselves of their taxation position resulting from participation in the Offer.

The Board does not consider that it is appropriate to give potential Applicants advice regarding the taxation consequences of applying for Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of potential Applicants.

To the maximum extent permitted by the law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

11.5 Legal proceedings

As at the Prospectus Date, the Company and its subsidiaries are not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Group or any of its members.

11.6 Interests of experts and advisors

Other than as set out below or elsewhere in this Prospectus:

- all other persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus do not have, and have not had in the 2 years before the Prospectus Date, any interest in:
 - the formation or promotion of the Company;
 - property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
 - the Offer; and
- amounts have not been paid or agreed to be paid (whether in cash, Securities or otherwise), and other benefit have not been given or agreed to be given, to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the Offer.

Expert/advisor	Service or function	Amount paid or to be paid (excluding GST)
Townshend Capital Pty Ltd	Lead Manager and Underwriter	In the range of \$250,000 to \$375,000 Approximately \$150,000 for capital raising services provided during the Company's initial public offering in 2020
BDO Corporate Finance (WA) Pty Ltd	Independent Limited Assurance Report	Approximately \$24,200 Approximately \$29,000 for financial services provided during the Company's initial public offering in 2020
Blackwall Legal LLP	Legal Advisers NSX Nominated Adviser	Approximately \$50,000 as legal advisers for the Offer Approximately \$113,000 for historical legal services, including in relation to the Company's initial public offering in 2020 and acting as NSX nominated adviser
Broadway Corporate Services Pty Ltd (Broadway)	Project coordinator and company secretarial services	Approximately \$50,000 as project coordinator Broadway presently receives a monthly company secretarial fee of \$4,500 (excluding GST) from the Company
Advanced Share Registry Ltd	Share registry services	Approximately \$12,000 Approximately \$11,500 for historical share registry services

11.7 Consent statements

The following persons have given their written consent to be named in the Prospectus in the form and context in which they are named and to the inclusion of a statement or report in this Prospectus in the form and context in which it is included:

Party	Capacity in which named	Statement or report in this Prospectus
Townshend Capital Pty Ltd	Lead Manager and Underwriter	Not applicable
BDO Corporate Finance (WA) Pty Ltd	Investigating Accountant	Independent Limited Assurance Report
HLB Mann Judd (WA Partnership)	Auditor	Not applicable
Blackwall Legal LLP	Legal Advisers NSX Nominated Adviser	Not applicable
Broadway Corporate Services Pty Ltd	Project coordinator	Not applicable
Advanced Share Registry Ltd	Share Registry	Not applicable

Each of the parties named above as having provided their consent:

- did not authorise or cause the issue of this Prospectus;
- does not make, or purport to make, any statement in this Prospectus nor is any statement in this Prospectus based on any statement by any of those parties other than as specified in this Section 11.7; and
- to the maximum extent permitted by law, expressly disclaims any responsibility or liability for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with consent of that party as specified in this Section 11.7.

A photograph of a modern building with a curved glass facade, set against a sunset sky. The building's interior is visible through the glass, showing a kitchen area with a sink and a wooden countertop. A wooden deck is in the foreground, and a black chair is visible on the right side of the building. The sky is a mix of orange, yellow, and blue, with some clouds.

► 12 Authorisation

AUTHORISATION

The Prospectus is issued by the Company and its issue has been authorised by a resolution of the Board of Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company pursuant to a resolution of the Board by:



Joshua Letcher
Non-Executive Chairman
Date: 16 May 2022



► 13 Interpretation

13.1 Glossary of terms

In this Prospectus, defined terms used have the following meaning:

Applicant	A person who applies for Shares under the Offer and in accordance with this Prospectus.
Application	A valid application for Shares offered under this Prospectus.
Application Form	An application form attached to or accompanying this Prospectus.
Application Money	Money received from an Applicant in respect of an Application.
ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited (ACN 008 624 691) trading as the 'Australian Securities Exchange'.
ASX Listing Rules	The listing rules of ASX.
BauMart Holdings	BauMart Holdings Limited (ACN 602 638 531) (ASX: BMH).
Board	The board of Directors of the Company.
Box Hill Project	Has the meaning given to that term in Section 2.1.
CHESS	Clearing House Electronic Subregister System.
Closing Date	The date on which the Offer close, being 11 July 2022.
Company	Australia Sunny Glass Group Limited (ACN 632 790 660).
Company Secretary	The company secretary of the Company from time to time.
Corporations Act	The Corporations Act 2001 (Cth).
Director	A director of the Company from time to time.
Existing Constitution	The constitution of the Company in effect at the date of this Prospectus, being a constitution applicable to a company listed on the Official List of NSX.
Existing Shareholder	Those persons or entities that are Shareholders of the Company as at the Prospectus Date and hold Existing Shares.
Existing Share	A Share issued by the Company prior to the Opening Date.
Financial Year	The financial year commencing on 1 July and ending on the next 30 June.
Glossary of Terms	This glossary of terms.
Group	The corporate group comprising the Company, its fully owned subsidiaries Sydney Sunny Glass Pty Ltd and Melbourne Sunny Glass Facade Pty Ltd, and any future subsidiaries.
GST	Goods and services tax levied under the A New Tax System (Goods and Services Tax) Act 1999 (Cth).
Holding Statement	A holding statement for Securities under CHESS or Security Holder Reference Number.
Independent Limited Assurance Report	The report of the Investigating Accountant contained in Section 8.
Investigating Accountant	BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045).
Issue	The issue of a Share pursuant to this Prospectus.
Lead Manager	Townshend Capital Pty Ltd (ACN 099 900 188).
Lead Manager Mandate	The mandate letter agreement between the Lead Manager and the Company dated on or about 5 August 2021.
LiSEC	LiSEC Holding GMBH.
Minimum Subscription	Is the subscription of at least \$5,000,000 (before costs) from the Offer through the issue of 14,285,714 Shares at an issue price of \$0.35 per Share.

INTERPRETATION

MSGF	Melbourne Sunny Glass Facade Pty Ltd (ACN 643 655 949), a wholly owned subsidiary of the Company.
New Constitution	The new constitution of the Company which is to be adopted upon the Company being admitted to the Official List of ASX, as approved by Shareholders at a general meeting of the Company held on 6 May 2022.
NSX	National Stock Exchange of Australia Limited (ACN 000 902 063).
NSX Listing Rules	The listing rules of NSX.
Offer Period	In relation to Offer, the period between the Opening Date and the Closing Date of that Offer.
Offer Price	The offer price of a Share under this Prospectus.
Official List	The official list of issuers maintained by either NSX or ASX, as the context suggests.
Opening Date	The date on which the Offer opens, being 16 May 2022.
Prospectus	This prospectus and any supplementary or replacement prospectus.
Prospectus Date	The date this Prospectus was lodged with ASIC, being 16 May 2022.
Offer	The offer to the public of up to 14,285,714 Shares at an issue price of \$0.35 per Share to raise \$5,000,000, with the ability to accept oversubscriptions of up to an additional 7,142,857 Shares to raise up to an additional \$2,500,000 (before costs).
Securities	Has the same meaning given to that term in section 92(4) of the Corporations Act.
Share Registry	Advanced Share Registry Ltd (ACN 127 175 946).
Share	A fully paid ordinary share in the capital of the Company, including the Shares being offered under this Prospectus.
Shareholder	A holder of a Share.
SSG	Sydney Sunny Glass Pty Ltd (ACN 603 335 548), a wholly owned subsidiary of the Company.
Underwriting Agreement	The underwriting agreement between the Company and the Lead Manager dated 12 May 2022, under which the Lead Manager has agreed to conditionally underwrite the Offer of up to the Underwritten Amount.
Underwritten Amount	Up to 7,142,857 Shares offered under this Prospectus, for a total amount of up to \$2,500,000.
United Kingdom or UK	The United Kingdom of Great Britain and Northern Ireland.
USA or US	The United States of America.
US Person	A “U.S. person” for the purposes of Regulation S under the US Securities Act.
US Securities Act	The Securities Act of 1933 (USA), as amended.
WST	Australian Western Standard Time.

13.2 Technical/industry terminology

The following is an explanation of some of the various technical and industry terms used in this Prospectus:

Anneal	To heat and allow to cool slowly to remove internal stress and therefore toughen the glass.
Curtain wall	A thin, usually aluminium-framed wall containing in-fills of glass.
Flat / float glass	Glass formed by floating on a bath of molten tin. The two surfaces are flat, parallel and polished, giving clear, undistorted vision and reflection.
Frit glass	A type of glass printed with ceramic frit and fired into a permanent opaque coating.
Heat-strengthened glass	Glass that provides necessary resistance to thermal stress associated with high performance glazing materials.
Insulating glass	Comprises two or more plies of glass that are separated with an aluminium spacer bar fully-filled with dessicant, where sides are sealed with high-strength sealant. Desiccant is a hygroscopic substance used as a drying agent.
Laminated glass	Laminated glass, regard as “safety glass”, consist of two or more panes of glass with one or more layers of polyvinyl butyral (PVB) sandwiched between them and treated. The glass panes can be basic float glass or tempered or heat strengthened panel. If the glass is broken fragments tend to adhere to the PVB interlayer thereby reducing the risk of injury from falling glass and helping to resist further impact or weather damage
Low-E glass	Low-E coating stands for Low-emittance coating on a solid surface. It is an extremely thin, nearly invisible film of metal or metal oxide layers deposited on a window or skylight. Its primary function is to reduce U-factor by restricting radiative heat flow. The key methodology by which heat is transferred in multilayer glazing is thermal radiation from a warm sheet of glass to a cooler sheet.
Spandrel area	The area of glass panels that conceals structural building components such as electrical wiring and plumbing.
Toughened glass	Made from annealed glass treated with a thermal tempering process. Toughened glass has greater strength resistance and safety performance.
U-factor	Measure of the rate of heat loss of a window assembly; the lower the U-factor, the greater the resistance to heat loss and the better its insulation properties.

Annexure A – Australia Sunny Glass Group Limited’s Corporate Governance Statement

Australia Sunny Glass Group Limited’s corporate governance practices are based on the ASX Recommendations and sets out below its “if not, why not” report in relation to those matters of corporate governance where the Company’s practice departs from the ASX Recommendations to the extent that they are currently applicable to the Group.

The Company’s corporate governance policies are available on the Company’s website: <https://asgg.com.au/investor-centre/>

	ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
Principle 1: Lay solid foundations for management and oversight			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Yes	<p>The Board Charter sets out the principles for the operation of the Board and describes the functions of the Board and the functions delegated to management of the Company.</p> <p>Section 3 of the Board Charter sets out the responsibilities and functions of the Board. The Board may delegate specific responsibilities to standing or ad hoc committees from time to time.</p> <p>Sections 4.2, 4.3 and 4.4 of the Board Charter sets out the responsibilities delegated to the Chairperson, Managing Director and Company Secretary, respectively.</p>
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Yes	<p>The Company will conduct background checks of candidates for new Director positions prior to their appointment or nomination for election by shareholders, including checks as to good character, experience, education, qualifications, criminal history and bankruptcy.</p> <p>As a matter of practice, the Company will include in its notices of meeting a brief biography and other material information in relation to each Director who stands for election or re-election. The biography will set out (among other things) the relevant qualifications and professional experience of the nominated Director for consideration by shareholders.</p>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	The Company has a written agreement with each Director and senior executive setting out the terms of their appointment.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	Under section 4.4 of the Board Charter, the Company Secretary reports directly, and is accountable, to the Board through the Chairperson in relation to all governance matters.

ANNEXURE A - CORPORATE GOVERNANCE STATEMENT

1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period</p>	Yes	<p>The Company has a Diversity Policy which sets out the beliefs, objectives and strategies of the Company with respect to diversity within the Company. Section 3 of the Diversity Policy provides that, among other things, the Board will use its reasonable endeavours to implement initiatives supportive of the objectives of the policy, which may include setting measurable targets and objectives.</p> <p>Due to the current Company's stage of development, and the size of its operations and workforce, the Board has not currently set any measurable objectives. However, it will reassess this position as the Company's operations grow and evolve.</p> <p>The Company's policy is to select the best available officers and staff for each relevant position in a non-discriminatory manner based on merit. Notwithstanding this, the Board respects and values the benefits that diversity (e.g. gender, age, ethnicity, cultural background, disability and marital/family status etc) brings in relation to expanding the Company's perspective and thereby improving corporate performance, increasing Shareholder value and maximising the probability of achieving the Company's objectives. The Board is committed to developing a diverse workplace where appointments or advancements are made on a fair and equitable basis. Section 4 of the Diversity Policy states that the Board will review the Diversity Policy annually.</p> <p>The Diversity Policy is available on the Company's website.</p>
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ANNEXURE A - CORPORATE GOVERNANCE STATEMENT

1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Yes	<p>Section 4.2 of the Board Charter states that the Chairperson of the Board is responsible for arranging Board performance evaluation.</p> <p>Section 2 of the Remuneration and Nomination Committee Charter (RNC Charter) states the Remuneration and Nomination Committee (RNC) will assist and advise the Board in relation to evaluation of Directors. The Company will disclose in each reporting period whether a performance evaluation was undertaken.</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Yes	<p>Section 3 of the Board Charter states that the Board is responsible for evaluating the Managing Director, the Company Secretary, and senior management personnel.</p> <p>Company will disclose whether a performance evaluation was undertaken in its annual report</p>

Principle 2: Structure the Board to add value

2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	No	<p>The Company does not have a nomination committee at this stage. The Board considers that, given the current size and scope of its operations, efficiencies or other benefits would not be gained by establishing a separate nomination committee.</p> <p>The full Board, which comprises 3 Non-Executive Directors and 2 Executive Directors, considers the matters and issues that would otherwise be addressed by a nomination committee in accordance with the RNC Charter.</p> <p>Under the Board Charter, candidacy for the Board is based on merit against objective criteria with a view to maintaining an appropriate balance of skills and experience. As a matter of practice, candidates for the office of Director are individually assessed by the Chairperson and the Managing Director before appointment or nomination to ensure that they possess the relevant skills, experience or other qualities considered appropriate and necessary to provide value and assist in advancement of the Company's operations.</p> <p>The Board intends to reconsider the requirement for, and benefits of, a separate RNC as the Company's operations grow and evolve.</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	No	<p>The Company does not currently have a skills or diversity matrix in relation to the Board members. The Board considers that such a matrix is not necessary given the current size and scope of the Company's operations. The Board may adopt such a matrix at a later time when the Company's operations grow and evolve.</p>

ANNEXURE A - CORPORATE GOVERNANCE STATEMENT

2.3	A listed entity should disclose (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Yes	<p>The appointment dates for each Director are as follows:</p> <ol style="list-style-type: none"> 1.Shengqiang “Sunny” Chi – 7 August 2020 2.Sok Kiang Teoh – 8 April 2019 3.Seok San “Susan” Tan – 8 April 2019 4.Joshua Letcher – 12 October 2021 5.Kunal Malhotra – 12 October 2021 <p>Joshua Letcher and Kunal Malhotra are considered by the Board to be independent Directors.</p> <p>The Company has also disclosed in its public offer prospectus (Prospectus):</p> <ol style="list-style-type: none"> 1.the names of the Directors considered by the Board to be independent; and 2.the length of service of each Director.
2.4	A majority of the board of a listed entity should be independent directors.	No	<p>At the time of listing, the Board is comprised of two independent Directors with the remaining three non-independent Directors of the Company by reason of them being executive Directors or substantial shareholders.</p> <p>The Board acknowledges this recommendation but nevertheless, the Board believes that each of the non-independent Directors bring objective and unbiased judgement to the Board’s deliberations and that each of them invaluable contributions to the Company through their considerable skills, experienced and deep understanding of the Company’s business.</p>
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Yes	<p>The Chairperson, Joshua Letcher, is an independent non-executive Director.</p> <p>The position of CEO is performed by the Managing Director, Mr Sunny Chi.</p>

ANNEXURE A - CORPORATE GOVERNANCE STATEMENT

2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	<p>Section 4.3 of the Board Charter notes that the Company Secretary is responsible for assisting with all matters related to the proper functioning of the Board, including advising on governance matters and arranging the induction and professional development of Directors.</p> <p>Section 6 of the Board Charter provides that the Board and the Company Secretary will establish an induction program for all new Directors to enable them to gain an understanding of:</p> <ul style="list-style-type: none"> • the Company's operations and the industry sectors in which it operates; • the Company's financial, strategic, operational and risk management position; • their rights, duties and responsibilities as Directors; • Board procedures and meeting arrangements; • the roles and responsibilities of any committees; • the roles and responsibilities of senior executives; • the culture and values of the Company; and • any other relevant information
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Principle 3: Act ethically and responsibly

3.1	A listed entity should articulate and disclose its values.	Yes	<p>The Company has a Corporate Code of Conduct which sets out the standards expected of its Directors, officers, employees, contractors and consultants in relation to the Company's business affairs.</p> <p>It notes that the Company is committed to fostering a culture that encourages, supports and maintains high standards of honest and ethical behaviour, legal compliance, corporate social responsibility and good governance. Further, it requires personnel to observe high standards of business conduct and to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.</p> <p>The Company's Statement of Values applies to its Directors, officers, employees, contractors and consultants.</p> <p>The Code of Conduct is available on the Company's website.</p>
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ANNEXURE A - CORPORATE GOVERNANCE STATEMENT

3.2	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	Yes	<p>The Company's Code of Conduct applies to its Directors, officers, employees, contractors and consultants. It is disclosed on the Company's website.</p> <p>The Code of Conduct requires that any matter which personnel believes to be a breach of a law or this document should be brought to the attention of the Chairperson or the Company Secretary for guidance. Further, the Board must be kept informed of any material breaches of the code.</p> <p>The Code of Conduct is available on the Company's website.</p>
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Yes	<p>The Company has adopted a Whistleblower Policy encouraging all personnel to report incidents of wrongdoing and ensuring that each person that reports wrongdoing can do so and is protected from reprisal, discrimination, intimidation or victimisation.</p> <p>The Whistleblower Policy is available on the Company's website.</p>
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	Yes	<p>The Company has adopted an Anti-Bribery and Anti-Corruption Policy encouraging all personal to report instances of bribery and corruption as well as any other suspicious activity or wrongdoing in connection with the Company's business.</p> <p>The Anti-Bribery and Anti-Corruption Policy is available on the Company's website.</p>

Principle 4: Safeguard integrity in corporate reporting

4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	No	<p>The Company has adopted an Audit and Risk Committee Charter (ARC Charter) which sets out the roles and responsibilities of an Audit and Risk Committee (ARC) but the Board has not established a separate ARC. The Board considers that, given the current size and scope of its operations, efficiencies or other benefits would not be gained by establishing a separate nomination committee.</p> <p>The full Board, which comprises 3 Non-Executive Directors and 2 Executive Directors, considers the matters and issues that would otherwise be addressed by an audit committee in accordance with the ARC Charter.</p> <p>The Board is responsible for safeguarding the integrity of the Company's corporate and financial reporting. Pursuant to section 3 of the Board Charter, the Board is responsible for reviewing and ensuring that appropriate internal and external audit arrangements are in place and operating effectively.</p> <p>The Board intends to reconsider the requirement for, and benefits of, a separate audit committee as the Company's operations grow and evolve.</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion,</p>	Yes	<p>Section 3.1 of the ARC Charter notes that, when submitting the Company's financial statements for a financial period to the Board for review, the ARC will procure that the Managing Director and Chief Financial Officer of the Company (if any) provide the Board with a declaration that, in their opinion the financial records of the Company have been properly maintained and that the financial statements comply</p>

ANNEXURE A - CORPORATE GOVERNANCE STATEMENT

	the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.		with the appropriate accounting standards and give true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Yes	Section 3 of the Risk Management Policy notes that comprehensive practices are in place that are directed towards verifying the integrity of the Company's periodic reports which are not audited or reviewed by an external auditor to satisfy the Board that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions.
Principle 5: Make timely and balanced disclosure			
5.1	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Yes	The Company has adopted a Continuous Disclosure and Market Communications Policy (CDMC Policy), a copy of which is available on the Company's website.
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	Section 7 of the CDMC Policy requires that a copy of all material announcements by the Company must be provided to each Director promptly after lodgement with ASX.
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	Section 9 of the CDMC Policy requires that any new and substantive investor or analyst presentation will be released on the ASX Market Announcements Platform ahead of the presentation

Principle 6: Respect the rights of security holders

6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	Information about the Company and its governance can be found on the Company's website.
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Yes	The Company's Shareholder Communication Policy provides for an investor relations program which actively encourages two-way communication with investors by ensuring timely and accurate information is provided equally to all shareholders and the broader market and provide reasonable means for shareholders to access and put queries to the Board and management of the Company.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	Section 3.4 of the Shareholder Communication Policy encourages and supports shareholder participation in general meetings, providing them the opportunity to put questions to the Directors and management at general meetings.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes	Section 3.4 of the Shareholder Communications Policy notes that the Board will ensure that all substantive resolutions at a meeting of Shareholders are decided by a poll rather than by a show of hands.
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	<p>Section 3.8 of the Shareholder Communication Policy states that whenever possible, the Company will use email to communicate with shareholders who wish to receive communications in electronic form. Shareholders may register at the Company's website to receive important information by email, such as Company reports and ASX announcements.</p> <p>The section also notes that the Company encourages shareholders to receive company information electronically by registering their email address online with the Company's share registry.</p>

Principle 7: Recognise and manage risk

7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(4) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	No	<p>The Company's ARC Charter sets out the roles and responsibilities of the ARC in relation to overseeing risk.</p> <p>Refer to the comments in relation to Recommendation 4.1 above regarding the AR</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place</p>	Yes	<p>Section 3.4 of the ARC Charter notes that the ARC will review the Company's risk management framework at least annually to satisfy itself that it continues to be sound.</p> <p>The Company will disclose, in relation to each reporting period, whether such a review has taken place.</p>

ANNEXURE A - CORPORATE GOVERNANCE STATEMENT

7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Yes	<p>The Company does not currently have an internal audit function. The Board considers that at this stage, an internal audit function is not necessary given the current size and scope of the Company's operations.</p> <ul style="list-style-type: none"> • Oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements. • Assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate). • Review the Company's risk management framework on a regular basis to satisfy itself that it continues to be sound. • Review reports by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	<p>The Company will disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p> <p>Section 3.4 of the ARC Charter provides that the ARC will assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate).</p>

Principle 8: Remunerate fairly and responsibly

8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	Yes	<p>The Company's RNC Charter sets out the roles and responsibilities of the RNC in relation to assisting the Board with remuneration matters.</p> <p>Refer to the comments in relation to Recommendation 2.1 above regarding the RNC.</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	Yes	<p>Details of the Company's remuneration policies and practices for non-executive and executive Directors, and senior management (where applicable) will be disclosed in the prospectus and in the Company's annual reports.</p> <p>Section 3 of the RNC Charter provides for the evaluation and approval by the Board (with the assistance of the RNC Committee) of the remuneration packages of non-executive Directors, executive Directors and executive officers (including fees and other benefits).</p>

ANNEXURE A - CORPORATE GOVERNANCE STATEMENT

			<p>In making its recommendations, the RNC is required to ensure that the remuneration policies:</p> <ul style="list-style-type: none"> • motivate executive Directors and officers to pursue the long-term growth and success of the Company; • demonstrate a clear relationship between performance and remuneration; and • involve an appropriate balance between fixed and incentive remuneration, reflecting the short and long-term performance objectives to the Company circumstances and goals.
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>Section 4 of the Securities Trading Policy prohibits Directors, officers, employees, contractors, consultants and advisors of the Company and its subsidiaries from entering into transactions that operate or is intended to operate to limit the economic risk of participating in an equity-based remuneration arrangement (e.g., hedging arrangements).</p> <p>The Securities Trading Policy is available on the Company's website.</p>

ANNEXURE A - CORPORATE GOVERNANCE STATEMENT

Principle 9: Recommendations that apply only in certain cases

9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	N/A	This recommendation is not applicable to the Company. The Board will consider engaging a translator if the need arises.
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time	N/A	This recommendation is not applicable to the Company.
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	N/A	This recommendation is not applicable to the Company.



AUSTRALIA SUNNY GLASS GROUP LIMITED
ABN 54 632 790 660

Share Registrars use only

Broker/Dealer stamp only

Application Form

This is an Application Form for Shares in Australia Sunny Glass Group Limited (ABN 54 632 790 660) (**Company**) and relates to the offer of Shares at an issue price of \$0.35 each to raise up to \$5million, with the ability to accept oversubscriptions of an additional \$2.5million (**Public Offer**). The Public Offer is scheduled to close at 5:00pm (WST) on 11 July 2022 (**Closing Date**) unless extended, closed early or withdrawn. Applications must be received before that time to be valid. A person who gives another person access to this Application Form must at the same time give the other person access to the Prospectus dated 16 May 2022.

The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser.

1 Number of Shares you are applying for

 , ,

Applications for Shares must be a minimum of 6,000 Shares (\$2,100.00) and thereafter in multiples of 1,000 Shares (\$350.00).

2 Total amount payable (multiply box 1 by \$0.35 per Share)

A\$, , .

3 Write the name(s) you wish to register the Shares in (see reverse for instructions)

Name of Applicant 1

Name of Applicant 2 or <Account Designation>

Name of Applicant 3 or <Account Designation>

4 Write your postal address here – to be registered against your holding

Number/Street

Suburb/Town

State

Postcode

5 CHESS Participants only – Holder Identification Number (HIN)

X

Note: if the name and address details in sections 3 & 4 above do not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.

6 EMAIL ADDRESS (see reverse of form – this is for all communications legally permissible and despatched by the Company)

7 TFN/ABN/EXEMPTION CODE

Applicant 1

Applicant #2

Applicant #3

If NOT an individual TFN/ABN, please note the type in the box
C = Company; P = Partnership; T = Trust; S = Super Fund

8 PAYMENT DETAILS

You may elect to pay your Application Monies via either BPAY®, EFT/Overseas Telegraphic Transfer or cheque (further details overleaf). Please indicate which payment option you have chosen by marking the relevant box below.

<input type="checkbox"/>	Please enter cheque, bank draft or money order details	Drawer	Bank	Branch	Amount
		\$			
Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Australia Sunny Glass Group Limited" crossed "Not Negotiable" and forwarded to Advanced Share Registry to arrive no later than the Closing Date.					

OR

<input type="checkbox"/>		Payment by BPAY® (if selected, your Application Form does not need to be completed and returned): To pay via BPAY® please complete the online form available at www.advancedshare.com.au/IPO-Offers and payment details will then be emailed to your nominated email address.
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OR

<input type="checkbox"/>	EFT/Overseas Telegraphic Transfers	Please contact Advanced Share Registry if you elect to pay your Application Monies via EFT/Overseas Telegraphic Transfer. You must complete and return the Application Form including Payment Confirmation/TT Advice to the Share Registry once you made payment. Please make your payment by EFT/TT in Australian currency, for the appropriate Application Monies. Email address: admin@advancedshare.com.au
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9 CONTACT DETAILS

Please use details where we can contact you between the hours of 9:00am and 5:00pm should we need to speak to you about your application.

Telephone Number

Contact Name (PRINT)

10 DECLARATION AND STATEMENTS

By lodging this Application Form:

- I/We declare that I/we have received a copy of the Prospectus dated 16 May 2022 issued by the Company and that I/we are eligible to participate in the Public Offer.
- I/We declare that all details and statements made by me/us are complete and accurate.
- I/We agree to be bound by the terms and conditions set out in the Prospectus and by the Constitution of the Company.
- I/We acknowledge that the Company will send me/us a paper copy of the Prospectus free of charge if I/we request so during the currency of the Prospectus.
- I/we authorise the Company to complete and execute any documentation necessary to effect the issue of Shares to me/us; and
- I/We acknowledge that returning this Application Form with the application monies will constitute my/our offer to subscribe for Shares in the Company and that no notice of acceptance of this Application will be provided.

INSTRUCTIONS FOR COMPLETION OF THIS APPLICATION FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM

Please complete all relevant sections of this Application Form using BLOCK LETTERS.

The below instructions are cross-referenced to each section of the Application Form.

1 Number of Shares

Insert the number of Shares you wish to apply for in section 1. Your application must be a minimum of 6,000 Shares (\$2,100.00) and thereafter in multiples of 1,000 Shares (\$350.00).

2 Payment Amount

Enter into section 2 the total amount payable. Multiply the number of Shares applied for by \$0.35 – the application price per Share.

3 Name(s) in which the Shares are to be registered

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person.

CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Trust
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample < Food Help Club A/C>	Food Help Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

4 Postal Address

Enter into section 4 the postal address to be used for all written correspondence. Only one address can be recorded against a holding. With exception to annual reports, all communications to you from the Company will be mailed to the person(s) and address shown. Annual reports will be made available online when they are released. Should you wish to receive a hard copy of the annual report you must notify the Share Registry. You can notify any change to your communication preferences by visiting the registry website – www.advancedshare.com.au

5 CHESSE Holders

If you are sponsored by a stockbroker or other participant and you wish to have your allocation directed into your HIN, please complete the details in section 5.

6 Email Address

The Company's annual report and company information will be available at www.asgg.com.au. You may elect to receive all communications despatched by Australia Sunny Glass Group Limited electronically (where legally permissible) such as a notice of meeting, proxy form and annual report via email.

7 TFN/ABN/Exemption

If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details in section 7. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application.

8 PAYMENT DETAILS

By making your payment, you confirm that you agree to all of the terms and conditions of the Public Offer as outlined on this Application Form and within the Prospectus.

Payment by Cheque

If Paying by Cheque, your cheque should be made payable to "AUSTRALIA SUNNY GLASS GROUP LIMITED" in Australian currency, crossed "NOT NEGOTIABLE" and drawn on an Australian branch of a financial institution. Please complete your cheque with the details overleaf and ensure that you submit the correct amount as incorrect payments may result in your Application being rejected.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Application Form. Cash will not be accepted. A receipt for payment will not be forwarded.

How To Lodge Your Application Form

Mail or deliver your completed Application Form with your cheque to the following address.

Mailing Address

Australia Sunny Glass Group Limited
C/- Advanced Share Registry Limited
PO Box 1156
NEDLANDS WA 6909

If the amount you pay is insufficient to pay for the number of Shares you apply for, you will be taken to have applied for such lower number of Shares as that amount will pay for, or your Application will be rejected.

Payment by BPAY®

If paying by BPAY, please complete the online form available at www.advancedshare.com.au/IPO-Offers and payment details will then be emailed to your nominated email address.

Payment by EFT/Overseas Telegraphic Transfers

If paying by EFT/Overseas Telegraphic Transfers, please contact Advanced Share Registry Limited by the following email for the application instructions.

Email address: admin@advancedshare.com.au

Hand Delivery

Australia Sunny Glass Group Limited
C/- Advanced Share Registry Limited
110 Stirling Highway
NEDLANDS WA 6009

9 Contact Details

Please enter contact details where we may reach you between the hours of 9:00am and 5:00pm should we need to speak to you about your Application Form.

10 Declaration

Before completing the Application Form the Applicant(s) should read the Prospectus in full. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in the Company, upon and subject to the terms of the Prospectus, agrees to take any number of Shares equal to or less than the number of Shares indicated in Section 1 that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign this Application Form.

PRIVACY STATEMENT

Australia Sunny Glass Group Limited advises that Chapter 2C of the Corporations Act requires information about its shareholders (including names, addresses and details of Shares held) to be included in the Company's register. Information is collected to administer your security holding and if some or all information is not collected, then it might not be possible to administer your security holding. Your personal information may be disclosed to the Company. To obtain access to your personal information or for more information on how the Company collects, stores, uses and discloses your information, please contact the Company at the address or telephone number shown in the Prospectus. The Share Registry's Privacy Policy (**Privacy Policy**) also sets out important information relating to the collection, use and disclosure of all personal information that you provide to the Company. The Privacy Policy can be found on <https://www.advancedshare.com.au/About-Us/Privacy-Policy>.

