



ACN 632 790 660

2022 CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Australia Sunny Glass Group Limited (**ASGG** or the **Company**) is responsible for establishing the Company's corporate governance framework, the key features of which are set out below.

This corporate governance statement sets out a description of the main policies and practices adopted by the Company and discloses to the extent to which the Company has complied with the Corporate Governance Principles and Recommendations 4th Edition (**Principles and Recommendations**), issued by the Australian Securities Exchange, during the financial year ended 30 June 2022.

Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The information in this statement is current as at 30 September 2022 and has been approved by the Board.

The following governance-related documents can be found on the Company's website at <https://asgg.com.au/investor-centre/corporate-governance/>, under the section marked "Corporate Governance":

- (a) Board Charter;
- (b) Audit and Risk Committee Charter;
- (c) Nomination and Remuneration Committee Charter;
- (d) Code of Conduct;
- (e) Continuous Disclosure Policy;
- (f) Shareholder Communications Policy;
- (g) Performance Evaluation Policy;
- (h) Diversity Policy
- (i) Risk Management Policy;
- (j) Securities Trading Policy;
- (k) Anti-Bribery and Anti-Corruption Policy; and
- (l) Whistleblower Policy.

Principles and Recommendations		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	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. 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. 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.
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	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. 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

Principles and Recommendations		Compliance (Yes/No)	Explanation
			professional experience of the nominated Director for consideration by shareholders.
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.
1.5	A listed entity should: (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; (b) disclose that policy or a summary of it; and (c) disclose in relation to each reporting period: (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: (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 (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. If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable	Yes	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. 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. 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. The Diversity Policy is available on the Company's website.

Principles and Recommendations		Compliance (Yes/No)	Explanation
	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.		
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	Section 4.2 of the Board Charter states that the Chairperson of the Board is responsible for arranging Board performance evaluation. 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.
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	Section 3 of the Board Charter states that the Board is responsible for evaluating the Managing Director, the Company Secretary, and senior management personnel. Company will disclose whether a performance evaluation was undertaken in its annual report.
Principle 2: Structure the Board to add value			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues	No	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. 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. 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. The Board intends to reconsider the requirement for, and benefits of, a separate RNC as the Company's operations grow and evolve.

Principles and Recommendations		Compliance (Yes/No)	Explanation
	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.		
2.2	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.	No	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.
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	The appointment dates for each Director are as follows: 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 Joshua Letcher and Kunal Malhotra are considered by the Board to be independent Directors. The Company has also disclosed in its 2022 annual report: 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	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. 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 provides invaluable contributions to the Company through their considerable skills, experience and understanding of the Company's business.
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	The Chairperson, Joshua Letcher, is an independent non-executive Director. The position of CEO is performed by the Managing Director, Mr Sunny Chi.
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	Yes	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

Principles and Recommendations		Compliance (Yes/No)	Explanation
	perform their role as directors effectively.		of Directors. 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: - 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.
Principle 3: Act ethically and responsibly			
3.1	A listed entity should articulate and disclose its values.	Yes	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. 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. The Company's Statement of Values applies to its Directors, officers, employees, contractors and consultants. The Code of Conduct is available on the Company's website.
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	The Company's Code of Conduct applies to its Directors, officers, employees, contractors and consultants. It is disclosed on the Company's website. 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. The Code of Conduct is available on the Company's website.
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a	Yes	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,

Principles and Recommendations		Compliance (Yes/No)	Explanation
	committee of the board is informed of any material incidents reported under that policy.		discrimination, intimidation or victimisation. The Whistleblower Policy is available on the Company's website.
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	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. The Anti-Bribery and Anti-Corruption Policy is available on the Company's website.
Principle 4: Safeguard integrity in corporate reporting			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (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 (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.	No	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. 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. 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. The Board intends to reconsider the requirement for, and benefits of, a separate audit committee as the Company's operations grow and evolve.
4.2	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, the financial records of the entity have been properly maintained and that the financial statements comply with the	Yes	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 with the

Principles and Recommendations		Compliance (Yes/No)	Explanation
	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.		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 have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	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	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

Principles and Recommendations		Compliance (Yes/No)	Explanation
	rather than by a show of hands.		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	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. 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.
Principle 7: Recognise and manage risk			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 (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.	No	The Company's ARC Charter sets out the roles and responsibilities of the ARC in relation to overseeing risk. Refer to the comments in relation to Recommendation 4.1 above regarding the ARC.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes	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. The Company will disclose, in relation to each reporting period, whether such a review has taken place.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it	Yes	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

Principles and Recommendations		Compliance (Yes/No)	Explanation
	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.		current size and scope of the Company's operations. - 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	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. 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).
Principle 8: Remunerate fairly and responsibly			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 (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.	Yes	The Company's RNC Charter sets out the roles and responsibilities of the RNC in relation to assisting the Board with remuneration matters. Refer to the comments in relation to Recommendation 2.1 above regarding the RNC.

Principles and Recommendations		Compliance (Yes/No)	Explanation
8.2	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.	Yes	Details of the Company's remuneration policies and practices for non-executive and executive Directors, and senior management (where applicable) are disclosed in its 2022 annual report. 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). In making its recommendations, the RNC is required to ensure that the remuneration policies: • 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	A listed entity which has an equity-based remuneration scheme should: (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 (b) disclose that policy or a summary of it.	Yes	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). The Securities Trading Policy is available on the Company's website.
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	N/A	This recommendation is not applicable to the Company.

Principles and Recommendations		Compliance (Yes/No)	Explanation
	questions from security holders relevant to the audit.		