Appendix 3
Preliminary Final Report to the National Stock Exchange of Australia
Australia Sunny Glass Group Limited and Controlled Entities – ABN 54 632 790 660
For the year ended 30 June 2023

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

Reporting Period	**12 Months ended 30 June 2023**
Previous Corresponding Reporting Period	**12 Months ended 30 June 2022**

2. Results for announcement to the market

		$A,000		**$A,000**
Revenue from ordinary activities	from	6,901	to	4,152
Loss from ordinary activities after tax	from	(4,678)	to	(2,813)
Loss from ordinary activities after tax attributable to members of the parent	from	(4,678)	to	(2,813)

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

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

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

Not applicable

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

Please refer to the Preliminary Report for the year ended 30 June 2023 lodged with this Appendix 3.

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

Net tangible assets per security	Cents	2.07
Previous corresponding period	Cents	2.27

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

Not applicable. The Financial Statements are prepared on a consolidated basis for the Group, comprised of Australia Sunny Glass Group Limited and its wholly owned subsidiaries (being Sydney Sunny Glass Pty Ltd and Melbourne Sunny Glass Facade Pty Ltd).

The acquisition of DW Sullivan Windows Pty Ltd was completed in the current reporting period and the financials of DW Sullivan and its wholly owned subsidiary will be included in the consolidated financial statements for the year ending 30 June 2024.

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

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

6. Attachments

The Preliminary Report of Australia Sunny Glass Group Limited for the year ended 30 June 2023 is attached.

7. Signed

Authorised by the Board of Directors and dated 13 September 2023.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Assets			
Current Assets			
Cash and cash equivalents	6	215,945	173,172
Trade receivables	7	694,406	804,083
Other receivables	8	482,211	274,731
Inventory	9	1,007,132	1,601,455
Financial assets at amortised cost	10	250,000	-
Total current assets		**2,649,694**	**2,853,441**
Non-current Assets			
Property, plant and equipment	11	1,647,383	2,608,298
Right of use assets	12	6,573,506	5,570,419
Total non-current assets		**8,220,889**	**8,178,717**
Total assets		**10,870,583**	**11,032,158**
Liabilities			
Current Liabilities			
Trade and other payables	13	2,027,601	2,737,363
Borrowings	14	24,713	119,105
Lease Liabilities	15	323,766	577,269
Current Income tax Liability		-	-
Total current liabilities		**2,376,080**	**3,433,737**
Non-current Liabilities			
Borrowings	14	144,628	168,013
Lease liabilities	15	6,352,385	5,471,025
Total non-current liabilities		**6,497,013**	**5,639,038**
Total liabilities		**8,873,093**	**9,072,776**
Net assets (liabilities)		**1,997,491**	**1,959,382**
Equity			
Issued capital	16	13,928,944	11,077,944
Reserves	17	(3,474,146)	(3,474,146)
Retained profits/ (Accumulated Losses)	18	(8,457,308)	(5,644,416)
Total Equity		**1,997,491**	**1,959,382**

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Revenue	3	4,151,804	6,901,422
Cost of goods sold		(1,645,983)	(5,922,736)
Gross profit		2,505,821	978,685
Other Income			
Other Income	4	431,717	517,625
Net gain from disposal of property, plant and equipment		5,746	-
Expenses			
Distribution expenses		-	-
Marketing expenses		(951,705)	(338,321)
Employment expenses		(1,971,185)	(1,741,237)
Repairs and maintenance expenses		(241,598)	(290,922)
Occupancy costs		(569,997)	(633,901)
Depreciation expenses	5	(1,068,112)	(2,225,820)
Finance costs		(198,318)	(315,971)
Corporate and administration expenses		(635,935)	(439,029)
IPO related expenses		(119,326)	(171,876)
Foreign currency translation		-	(17,415)
Loss before income tax expense from continuing operations		(2,812,891)	(4,678,182)
Income tax expense	2	-	-
Loss after income tax expense for the year attributable to the owners of Australia Sunny Glass Group Ltd		(2,812,891)	(4,678,182)
Other comprehensive income, net of tax			
Total comprehensive loss for the year attributable to the owners of Australia Sunny Glass Group Ltd		**(2,812,891)**	**(4,678,182)**
Earnings per share for profit attributable to the owners of Australia Sunny Glass Group Limited		**Cents**	
Basic and diluted earnings per share (cents)		**(2.92)**	(5.42)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Issued Capital $	Reserves $	(Accumulated Losses) $	Total Equity $
Balance at 1 July 2022	**11,077,944**	**(3,474,146)**	**(5,644,416)**	**1,959,383**
Profit/ (Loss) after income tax expense for the year	-		(2,812,891)	(2,812,891)
Issue of shares as part of capital raising	3,001,000			3,001,000
Cost of share issue	(150,000)			(150,000)
Total comprehensive income/ (Loss) for the year	**2,851,000**	**-**	**(2,812,891)**	**38,109**
Balance as at 30 June 2023	**13,928,944**	**(3,474,146)**	**(8,457,307)**	**1,997,492**
Balance at 1 July 2021	11,077,944	**(3,474,146)**	(966,234)	6,637,564
Profit/ (Loss) after income tax expense for the year	-	-	(4,678,182)	(4,678,182)
Total comprehensive income for the year	**-**	**-**	**(4,678,182)**	**(4,678,182)**
Balance at 30 June 2022	**11,077,944**	**(3,474,146)**	**(5,644,416)**	**1,959,383**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Notes	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Cash Flow from operating activities			
Investment income (net of GST)		-	-
Receipts from customers (incl GST)		4,159,938	9,013,675
Payments to suppliers and employees (inclusive of GST)		(6,691,422)	(9,032,878)
Government grants and tax incentives received		401,092	503,873
Interest received		3,221	252
Interest paid		(198,318)	(289,846)
Income taxes paid		-	-
Net cash (used in)/provided by operating activities		**(2,325,489)**	**195,075**
Cash Flow from investing activities			
Payments for property, plant and equipment		888,128	(45,405)
Proceeds from sale of property, plant and equipment		-	-
Payments for investments		(250,000)	-
Net cash provided by/(used in) investing activities		**638,128**	**(45,405)**
Cash flow from financing activities			
Proceeds from the issue of shares		2,851,000	23,100
Proceeds from borrowings		(24,000)	(971,529)
Repayment of ROU Leases		(1,096,865)	(644,299)
Net cash provided by financing activities		**1,730,135**	**(1,592,727)**
Net increase/(decrease) in cash and cash equivalents		42,774	(1,443,057)
Cash and cash equivalents at the beginning of the financial year		173,172	1,616,229
Cash and cash equivalents at the end of the financial year	6	**215,946**	**173,172**

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

1. Significant accounting policies

Statement of compliance

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The onsolidated entity has not yet assessed the impact of the new or amended Accounting Standards.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)

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

Basis of preparation

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

Historical cost convention

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

Critical accounting estimates

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

Parent entity information

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

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Australia Sunny Glass Group Limited ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Australia Sunny Glass Group Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

Foreign currency translation

The financial statements are presented in Australian dollars, which is Pinnacle Listed Comprehensive Limited's functional and presentation currency.

Foreign currency transactions

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

Inventories

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

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

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

Property, plant and equipment

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

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

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

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

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

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

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

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

Revenue recognition

Construction Revenue

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

Variable Consideration

Contracts may include performance bonuses or penalties assessed against the timeliness or cost effectiveness of work completed or other performance related KPIs. Revenue recognition of variable consideration is only satisfied when there are no uncertainties to its entitlement, this is known as the “constraint” requirements. The Group assess the constraint requirements on a periodic basis when estimating the variable consideration to be included in the transaction price. The estimate is based on all available information including historic performance. Where modifications to contracts are made, the transaction price is updated to reflect these. Where the modification price is not confirmed, an estimate is made of the amount of revenue to recognise whilst also considering the constraint requirement.

Sale of goods

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

Rendering of services

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

Interest

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

Other revenue

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

Government grants

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

Research and Development tax incentive benefit

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

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

Employee benefits

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

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

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

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

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with 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.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition date fair values of the assets transferred and/or liabilities incurred by the acquirer. All acquisition costs are expensed as incurred to profit or loss.

On acquisition of a business, the Company assesses the financial assets acquired and liabilities assumed for 1ppropriate classification in accordance with the contractual terms, economic conditions, the Company's accounting policies and other pertinent conditions in existence at the acquisition date.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and recognises additional assets and liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition date.

he measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Going Concern

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

The Group has incurred a net loss for the year ended 30 June 2023 of $2.8m (2022: loss of $4.7m) and had net cash outflow from operating activities of $2,325,489 (2022: inflow $195,075). As at 30 June 2023 the Group had a working capital of $273,614 (2022: ($580,296) and cash and cash equivalents of $215,945 (2022: $173,172).

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

Management note the following mitigating factors:

- The entity is listed on the NSX and the Group is also working towards capital raising initiatives and the Directors are confident that is will receive sufficient additional funding from major shareholders or other parties if required;
and
- Expenditure can be reduced where necessary.

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

Estimates and judgements

Allowance for expected credit losses

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

Impairment

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

Operating segments

Identification of reportable operating segments

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

Cash and cash equivalents

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

Trade and other receivables

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

Investments and other financial assets

Classification

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

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

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

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

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

Measurement

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

Equity instruments

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

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

Contributed equity

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

Income tax

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

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

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

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

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

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

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

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.

Earnings per share

Basic earnings per share

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

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

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

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

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

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

2. Taxation

	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Income Tax Expense		
- Current tax expense	-	-
- Deferred tax expense	-	-
- Under/(over) provision	-	-
	-	-
Reconciliation of income tax expense to prima facie tax:		
Accounting profit/(loss) before income tax	(2,812,891)	(4,678,182)
At the statutory income tax rate of 26%	(703,223)	(1,169,545)
- Non deductible expenditure	20	4,313
- Non assessable income	(100,273)	21
- Temporary differences not recognised	803,476	1,165,211
- Under/(over) provision	-	-
Income tax reported in statement of comprehensive income	-	-
Deferred income tax		
Deferred income tax relates to the following:		
Net deferred income tax assets		
- Tax losses	2,007,949	1,339,618
- Other	326,875	353,512
Net deferred tax assets not recognised	(2,334,824)	(1,693,130)
Net deferred tax asset/(liability)	-	-

	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
3. Revenue		
Revenue from sale of goods	4,151,804	3,686,084
Revenue from construction contracts	-	3,215,337
Total	4,151,804	6,901,422

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

4. Other income

Interest Received	3,221	252
Research and development grant received	401,092	237,729
Other government incentives	-	266,144
Other Income	27,404	13,500
Total	431,717	517,625

All revenues are earned in Australia.

5. Depreciation Expenses

Furniture & office equipment	6,602	7,456
Motor vehicles	65,626	89,841
Factory equipment	823,901	1,345,209
Right of use assets	171,983	783,314
Total	1,068,112	2,225,820

6. Current Assets - Cash and Cash Equivalent	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Cash at bank	215,945	83,797
Term deposits	-	89,375
Total	**215,945**	**173,172**

7. Current Assets - Trade Receivables	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Trade receivables	1,507,657	1,222,308
Allowance for expected credit loss	(813,251)	(418,225)
Total	694,406	804,083

Note: The carrying value of trade receivables reflect their Fair Value due to their short term nature.
There is no trade and other receivables that are past due but not impaired.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2023	2022	2023	2022	2023	2022
Consolidated	%	%	$	$	$	$
1 to 30 days	2.0%	1.6%	362,420	216,288	7,130	3,473
31 to 60 days	8.0%	8.0%	-8,799	242,435	-704	19,395
61 to 90 days	50.0%	50.0%	196,506	85,329	98,253	42,665
90+ days	74.0%	52.0%	957,530	678,256	708,572	352,693
			1,507,657	**1,222,308**	**813,251**	**418,225**

8. Current Assets - Other Receivables

	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Prepayments[1]	104,773	776
GST Paid/Received	(41,589)	(71,446)
Deposits to suppliers	261,169	30,000
Other receivables[2]	124,912	315,400
Total	449,264	274,731

1.Deposit to supplier includes a deposit for the acquisition of DW Sullivan Windows Pty Ltd of $250,000

2. Other receivables include retentions receivable which has not been invoiced

9. Inventories

Inventory Raw Materials	1,007,132	2,461,227

Note: Inventory is recorded at the lower of cost and Net Realisable Value. There has been nil write down of inventory to Net Realisable Value during the year ended 30 June 2023. (2022: nil)

10. Non-Current Assets - Property, Plant and Equipment

	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Plant & Equipment	4,872,868	4,872,868
Less: Accumulated Depreciation	(3,443,051)	(2,619,151)
	1,429,816	2,253,717
Office Furniture & Equipment	49,750	47,494
Less: Accum Dep Furniture & Equipment	(40,152)	(33,550)
	9,597	13,944
Motor Vehicles	677,072	792,081
Less: Accumulated Depreciation	(469,103)	(451,444)
	207,970	340,637
Total Plant and Equipment	1,647,383	2,608,298
Total Property, Plant and Equipment	1,647,383	2,608,298

Reconciliations

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

	Plant & Equipment	Office Furniture & Equipment	Motor Vehicles	Total
Balance at 1 July 2021	-	-		-
Additions	-	47,494		47,494
Disposals	-	-		-
Depreciation expense	-	33,550		33,550
Balance at 30 June 2022	-	13,944	-	13,944
Additions	2,253,717	2,255	273,596	2,529,568
Disposals	-	-	-	-
Depreciation expense	823,901	6,602	65,626	896,129
Balance at 30 June 2023	1,429,816	9,597	207,970	1,647,383

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

	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Land and buildings - right-of-use	6,741,800	7,566,452
Less: Accumulated Depreciation	(168,294)	(1,996,033)
	6,573,506	5,570,419

13. Trade and other payables

	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Trade payables	(1,263,635)	(1,583,452)
Other payables [1]	(691,921)	(595,211)
Customers Deposits	(72,045)	(558,701)
Total	(2,027,601)	(2,737,363)

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

[1] *Other payables include BAS liabilities, customers deposits and payroll liabilities payable like superannuation, PAYG, annual leave acruals*

14. Borrowings

	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Current		
Motor vehicles	(24,713)	(70,414)
NAB trade financing	-	-
	(24,713)	(70,414)
Non Current		
Motor vehicles	(144,628)	(216,705)

15. Leases

AASB 16 Leases

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

When applying AASB 16, the company has applied the following practical expedients:
- applying a single discount rate to the portfolio of leases with reasonably similar characteristics;
- accounting for leases with a remaining lease term of 12 months as at 1 July 2021 as short-term leases;
- excluding any initial direct costs from the measurement of right-of-use assets;
- using hindsight in determining the lease term when the contract contains options to extend or terminate the lease; and
- not apply AASB 16 to contracts that were not previously identified as containing a lease.

	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Current Lease Liabilities		
Right of use - building	(323,766)	(577,269)
	(323,766)	(577,269)
Non-current leases		
Right of use - building	(6,352,385)	(5,471,025)
	(6,352,385)	(5,471,025)
Total Leases		
Right of use - building	(6,676,151)	(6,048,294)
	(6,676,151)	(6,048,294)

16. Issued Capital

	Consolidated 30 Jun 2023 Number	Consolidated 30 Jun 2023 $
Balance at beginning of the year	86,294,836	11,077,944
Issue of shares	10,003,333	3,001,000
Share Issue Costs	-	(150,000)
Total	96,298,169	13,928,944

Ordinary shares

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

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

17. Reserves

	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Assets acquisition reserve	(3,474,146)	(3,474,146)
This is the pre-acquisition accumulated losses of the acquired subsidiary, Sydney Sunny Glass Pty Ltd		
Share based payment reserve		
Investment appraisal	-	150,000
Fund raising	-	180,000
Professional services	-	52,100
	-	382,100

18. Retained Profits/(Accumulated Losses)

	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Accumulated losses at the beginning of the financial year	(5,644,415)	(966,234)
Loss after income tax expense for the year	(2,812,891)	(4,678,182)
Accumulated losses at the end of the financial year	(8,457,306)	(5,644,415)

19. Earnings per share

	Consolidated 30 Jun 2023	Consolidated 30 Jun 2022
Net loss for the year	(2,812,891)	(4,678,182)
Number of shares issued	96,298,169	86,294,836
EPS (cents per share)	**(2.92)**	**(5.42)**

20. Risks Management

General

Capital management

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

The Group has the following financial instruments:

	Consolidated 30 Jun 2023	Consolidated 30 Jun 2022
Cash at bank and in hand	215,945	173,172
Trade and other receivables	1,143,670	1,078,814
	1,359,616	1,251,986
Trade and other payables	(2,027,601)	(2,737,363)

Credit risk

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

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

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

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

Exposure to credit risk

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

	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Cash at bank	215,945	173,172
Other receivables from once-off transactions with third parties	1,143,670	1,078,814
Total	**1,359,616**	**1,251,986**

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

	Counterparties with external credit rating(1) AA-(S&P)	Other third parties without external credit rating No Default	Total
Credit quality of financial assets			
At 30 June 2023			
Cash at bank	215,945	-	215,945
Other receivables from once-off transactions with third parties(2)	-	1,143,670	1,143,670
	215,945	**1,143,670**	**1,359,616**
At 30 June 2022			
Cash at bank	173,172	-	173,172
Other receivables from once-off transactions with third parties(2)	-	1,078,814	1,078,814
	173,172	**1,078,814**	**1,251,986**

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

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

Allowance for expected credit loss

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

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

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

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

Expected credit loss recognised by the Group for the financial year was $813,251 (2022: $418,225).

Liquidity risk

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

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

Remaining contractual maturities

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

	Weighted average interest rate	**1 year or less**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Remaining contractual maturities**
Consolidated - 2023	%	$'000	$'000	$'000	$'000	$'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,263,635	-	-	-	1,263,635
Other payables	-	691,921	-	-	-	691,921
Interest-bearing - fixed rate						
Trade Financing	5.34%	-	-	-	-	-
Lease liability	5.82%	323,766	385,013	,1,593,406	4,373,966	6,676,151
Total non-derivatives		2,925,441	491,430	1,424,447	3,163,131	8,631,707

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Consolidated - 2022	%	$'000	$'000	$'000	$'000	$'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,583,452	-	-	-	1,583,452
Other payables	-	1,153,911	-	-	-	1,153,911
Interest-bearing - fixed rate						
Trade Financing	5.34%	934,338	-	-	-	934,338
Lease liability	5.82%	968,899	917,963	2,044,345	3,638,297	7,569,504
Total non-derivatives		4,640,600	917,963	2,044,345	3,638,297	11,241,205

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

21. Remuneration of the auditor

The following fees were paid or payable for services provided by HLB, the auditor of the Group, it's network firms and unrelated firms (2021 auditor was BDO)

	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Audit of the financial statements	55,000	55,000
Tax and other consulting works		
	55,000	55,000

22. Events arising since the end of the reporting period

On 3 May 2023, the Group announced a binding term sheet to acquire a 100% interest in Sullivan Facades, a specialist provider of windows, cladding and curtain wall solutions for Australia's top tier builders in Melbourne, Victoria, through the acquisition of 100% of the issued capital of DW Sullivan Windows Pty Ltd (Sullivans). The transformational acquisition includes a robust projects pipeline and custom manufacturing and supply capabilities from the Sullivans' factory in Melbourne's West.

The acquisition of Sullivans from its shareholders (Vendors) will be funded through the issue of AG1 shares and two separate cash payments.

In part consideration for the acquisition, AG1 will pay the Vendors A$150,000 as an upfront cash consideration, in accordance with the terms of the binding term sheet (Upfront Payment). An additional payment of A$150,000 to the Vendors will occur one year after completion, in accordance with the terms of the transaction (Final Payment). The cash payments will be made to the Vendors on a pro rata basis. The Group will issue 13,333,333 fully paid ordinary shares at a deemed issue price of A$0.30 per share pro-rata to the Vendors to complete the acquisition.

Fair Value ($)	2023 $
Cash and cash equivalents	81,268
Trade and other receivables	4,866,806
Inventory	550,000
Other current assets	42,750
Plant and equipment	307,669
Trade and other payables	(9,195,169)
Financial Liabilities	(198,179)
Other non-current liabilities	(437,623)
Net liabilities acquired	**(3,982,478)**
Excess consideration over net assets acquired	**8,282,478**
Acquisition Date Fair Value of Total Consideration Transferred	**4,300,000**
Representing:	
Cash Paid or payable to vendor	300,000
Share based consideration	4,000,000

23. Contingent liabilities

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

24. Segment Reporting

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

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

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

25. Commitments

There was no other commitment for the financial year

26. Related Party Transactions

Key management personnel compensation

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

Mr Shengqiang (Sunny) Chi (Managing Director)
Mr Joshua Letcher (Non-executive Chairman, resgned 31 Jan 2023)
Mr Sok Kiang Teoh (Executive Director)
Ms Seok San Tan (Executive Director/ Non-Executive Director)
Mr Kunal Malhotra (Non-executive Director)

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

	Consolidated 30 Jun 2023 $	Consolidated 30 Jun 2022 $
Short-term employee benefits	301,667	298,708
Short-term non-monetary benefits	93,226	93,226
Short-term post-employment benefits	31,675	28,520
Total	**426,568**	**420,454**

27. Parent entity information

Statement of profit or loss and other comprehensive income

	Parent	
	30 Jun 2023	**30 Jun 2022**
	$	**$**
Loss after income tax	(472,875)	(682,293)
Total comprehensive income	(472,875)	(682,293)

Statement of financial position

	Parent	
	30 Jun 2023	**30 Jun 2022**
Total current assets	350,533	127,848
Total assets	10,759,047	8,839,495
Total current liabilities	327,468	770,646
Total liabilities	409,428	868,001
Equity		
Issued capital	11,893,864	9,042,864
Reserve	-	-
Retained loss	(1,544,245)	(1,071,370)
Total equity	10,349,619	7,971,494

On behalf of the Board of Directors

Sok Kiang Teoh
Chief Financial Officer and Executive Director

13 September 2023