Appendix 3
Half Year Report to the National Stock Exchange of Australia
Australia Sunny Glass Group Limited and Controlled Entities – ABN 54 632 790 660
Period ending 31 December 2022

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

Reporting Period	**6 Months ended 31 December 2022**
Previous Corresponding Reporting Period	**6 Months ended 31 December 2021**

2. Results for announcement to the market

				$A,000		$A,000
Revenue from ordinary activities	down	67.4%	from	5,117	to	1,667
Profit (loss) for the period	up	286.7%	from	(680)	to	(1,950)
Profit (loss) for the period attributable to members of the parent	up	286.7%	from	(680)	to	(1,950)

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 Interim Financial Report lodged with this Appendix 3.

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

Net tangible assets per security	**Cents**	**3.28**
Previous corresponding period	**Cents**	**6.90**

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

4.1 Name of the entity.

None

4.2 The date of the gain or loss of control.

N/A

82 Belmont Avenue, Rivervale, Western Australia 6159
Email: security.asgg@sunnyglass.com.au Phone: +61 8 9277 9197

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

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

6. Attachments

The Interim Financial Report of Australia Sunny Glass Group Limited for the half-year ended 31 December 2022 is attached.

7. Signed

Authorised by the Board of Directors and dated 09 March 2023.

AUSTRALIA SUNNY GLASS GROUP LTD

ACN 632 790 660

FINANCIAL REPORT

FOR THE 6 MONTHS ENDED 31 DECEMBER 2022

CONTENTS

Australia Sunny Glass Group Ltd
31 December 2022

General information

The financial statements cover Australia Sunny Glass Group Ltd as a consolidated entity consisting of Australia Sunny Glass Group Ltd and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Australia Sunny Glass Group Ltd's functional and presentation currency.

Australia Sunny Glass Group Ltd is a public listed company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

15 McCabe Street
North Fremantle, WA 6159

Principal place of business:

82 Belmont Avenue, Rivervale
Rivervale, WA 6103

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 08 March 2023. The directors have the power to amend and reissue the financial statements.

Directors

Shengqiang "Sunny" Chi -Managing Director
Sok Kiang Teoh - Executive Director
Seok San ('Susan') Tan - Non Executive Director
Kunal Malhotra - Non Executive Director

Company Secretary

Natalie Teo

Registered Office

15 McCabe Street
North Fremantle, Western Australia 6159

Principal Place of Business

Western Australia:
82 Belmont Avenue
Rivervale, Western Australia 6103
Telephone: +61 8 6389 2688
Email: info@sunnyglass.com.au
Website: https://asgg.com.au/

Victoria:
142 Proximity Drive
Sunshine West Vic 3020

Share Registry

Advanced Share Registry Ltd
110 Stirling Highway
Nedlands, Western Australia 6009
Telephone: +61 8 9389 8033
Facsimile: +61 8 6370 4203

Auditor

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
Perth, Western Australia 6000

Nominated Adviser

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

NSX Code

AG1

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

Directors' Report

Australia Sunny Glass Group Ltd

31 December 2022

The Directors of Australia Sunny Glass Group Ltd present their report together with the financial statements, on the consolidated entity (referred to here after as the 'consolidated entity' consisting of Australia Sunny Glass Group Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled during the half-year ended 31 December 2022.

Directors

The following persons were directors of Australia Sunny Glass Group Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Joshua Alan Letcher, Non-Executive Chairman/Director (Resigned 31-01-2023)
Mr Shengqiang (Sunny) Chi, Executive Director
Mr Sok Kiang Teoh, Executive Director
Ms Seok San Tan, Non-Executive Director
Mr Kunal Malhotra, Non-Excutive Director

Company secretary

Ms Natalie Teo

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

• the manufacture and supply of a comprehensive range of custom built and specialist architectural glass products to the commercial and residential building industry in Australia, predominantly in the east coast markets of New South Wales and Victoria.

• the operation of a fully automated and integrated glass processing plant in a 20,000 sqm manufacturing facility in Smithfield, New South Wales;

• the provision of design and glass supply solutions for structural building facades in Victoria.

• the provision of integrated glass supply solutions on a project basis to developers and construction companies.

Review of operations

Group Operations

Group Revenue of $1.67m for the half-year was recorded ($5.12m for the half-year ended 31 December 2021). Gross Profit achieved was $0.80m for the half-year ($1.58m for the half-year ended 31 December 2021). The loss after income tax of $1.95m for the half year ($0.68m for the half year ended 31 December 2021) included $101K incurred as a non-recurrent cost relating to the Company's efforts to seek admission to the Official List of the Australian Securities Exchange (ASX). This process ceased in November 2022.

Signifcant changes in the state of affairs

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

Auditor's independence declaration

A copy of the auditor's indendence declarationas required under section 307C of he Corporations Act 2001 is set out immediately after this directors' report.

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

On behalf of the directors

Sok Kiang Teoh
Director

9 March 2023
Perth

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Australia Sunny Glass Group Limited for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
9 March 2023

B G McVeigh
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

Consolidated Statement of Financial Position

As at 31 December 2022

	Notes	Consolidated 31 Dec 2022 $	Consolidated 30 Jun 2022 $
Assets			
Current Assets			
Cash and cash equivalents	5	341,970	173,172
Trade receivables	6	880,814	804,083
Other receivables	7	381,019	274,731
Financial assets	8	635,000	-
Inventories	9	1,103,462	1,601,455
Total current assets		**3,342,265**	**2,853,441**
Non-current Assets			
Property, plant and equipment	10	2,152,359	2,608,298
Right-of-use assets	11	4,981,462	5,570,419
Total non-current assets		**7,133,821**	**8,178,717**
Total assets		**10,476,086**	**11,032,158**
Liabilities			
Current Liabilities			
Trade and other payables	12	1,982,214	2,737,363
Borrowings	13	82,641	119,106
Lease liabilities	14	411,014	577,269
Total current liabilities		**2,475,869**	**3,433,738**
Non-current Liabilities			
Borrowings	13	102,125	168,013
Lease liabilities	14	5,037,782	5,471,025
Total non-current liabilities		**5,139,907**	**5,639,038**
Total liabilities		**7,615,776**	**9,072,776**
Net assets		**2,860,310**	**1,959,382**
Equity			
Issued capital	15	13,928,944	11,077,944
Reserves	16	(3,474,146)	(3,474,146)
Accumulated Losses	17	(7,594,488)	(5,644,416)
Total Equity		**2,860,310**	**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 half-year ended 31 December 2022

	Notes	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Revenue from continuing operations	3	1,667,314	5,116,815
Cost of goods sold		(864,691)	(3,540,915)
Gross profit		802,623	1,575,900
Other Income			
Interest received		66	245,343
Net gain from disposal of property, plant and equipment		41,052	-
Expenses			
Distribution expenses		(69,945)	(80,614)
Marketing expenses		(46,511)	(31,117)
Employment expenses		(890,991)	(555,956)
Repairs and maintenance expenses		(105,701)	(128,178)
Occupancy costs		(192,425)	(250,496)
Depreciation Expense	4	(766,375)	(1,102,738)
Finance costs		(133,769)	(136,961)
General and Administration expenses		(486,355)	(175,152)
IPO related expenses		(101,742)	(22,443)
Foreign exchange losses		-	(17,415)
Loss before income tax expense from continuing operations		(1,950,072)	(679,827)
Income tax expense		-	-
Loss after income tax expense from continuing operations		(1,950,072)	(679,827)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period attributable to the owners of Australia Sunny Glass Group Ltd		**(1,950,072)**	**(679,827)**
Loss per share for loss attributable to the owners of Australia Sunny Glass Group Ltd		**Cents**	**Cents**
Basic and diluted loss per share	18	**(2.24)**	**(0.79)**

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

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2022

Consolidated	Issued Capital $	Reserves $	(Accumulated Losses) $	Total Equity $
Balance at 1 July 2022	11,077,944	(3,474,146)	(5,644,416)	1,959,382
Loss after income tax expense for the half-year	-	-	(1,950,072)	(1,950,072)
Share Issuing Costs	(150,000)			(150,000)
Issue of shares as part of capital raising	3,001,000	-	-	3,001,000
Balance as at 31 December 2022	**13,928,944**	**(3,474,146)**	**(7,594,488)**	**2,860,310**
Balance at 1 July 2021	11,077,944	**(3,474,146)**	(966,234)	6,637,564
Loss after income tax expense for the half-year	-	-	(679,826)	(679,826)
	-	-	(679,826)	(679,826)
Balance as at 31 December 2021	**11,077,944**	**(3,474,146)**	**(1,646,060)**	**5,957,738**

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

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2022

	Notes	Consolidated 31 Dec 2022 $	Consolidated 31 Dec 2021 $
Cash flow from operating activities			
Receipts from customers (incl GST)		1,374,701	4,325,321
Payments to suppliers and employees (inclusive of GST)		(2,905,922)	(4,965,435)
Interest received		66	161
Interest paid		(133,769)	(3,739)
Government grants received		-	511,406
Net cash (used in) operating activities		**(1,664,924)**	**(132,286)**
Cash flow from investing activities			
Payments for property, plant and equipment		(1,786)	(45,405)
Proceeds from sale of property, plant and equipment		50,537	-
Payments for investments and bonds		(635,000)	-
Net cash (used in) investing activities		**(586,249)**	**(45,405)**
Cash flow from financing activities			
Proceeds from the issue of shares		2,851,000	-
Lease repayments		(407,029)	(341,843)
Repayment of borrowings		(24,000)	(487,963)
Net cash provided by/(used in) financing activities		**2,419,971**	**(829,806)**
Net increase/(decrease) in cash and cash equivalents		168,798	(1,007,497)
Cash and cash equivalents at the beginning of the financial period		173,172	1,616,229
Cash and cash equivalents at the end of the financial period	5	**341,970**	**608,732**

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

Note 1. Significant accounting policies

Statement of compliance

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, As appropriate for for-profit oriented entities.

Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. These had no material effect on the current reporting period.

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

Revenue recognition

Construction Revenue

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

Variable Consideration

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

Sale of goods

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

Rendering of services

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

Interest

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

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income.

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 half-year ended 31 December 2022 of $1.95m (2021: loss of $0.68m) and had net cash outflows from operating activities of $1.66m (2021: outflow $0.13m). As at 31 December 2022 the Group had working capital of $866,396) (30 June 2022: deficiency of $580,297) and cash and cash equivalents of $341,970 (30 June 2022: $173,172).

Management notes the following mitigating factors:

- The entity is listed on the NSX and the Group is also working towards capital raising initiatives. The Directors are confident that the group 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 it is appropriate to adopt the going concern basis in the preparation of the financial report. Should the Group not be able to generate required funding as noted above, there is a material uncertainty that may cast significant doubt whether the company will continue as a going concern, and that 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. The financial report 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.

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 circumstances indicate that there may be impairment.

2. 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.

3. Revenue

	Consolidated	
	31 Dec 2022	31 Dec 2021
	$	$
Revenue from construction contracts and sale of goods - over time	1,667,314	5,116,815
Total	**1,667,314**	**5,116,815**

All revenue is earned in Australia.

4. Depreciation Expense

	$	$
Furniture & Office Equipment	3,082	3,243
Motor Vehicles	32,813	44,921
ROU Asset	317,666	382,833
Factory Equipment	412,814	671,741
Total	**766,375**	**1,102,738**

5. Current Assets - Cash and Cash Equivalent

	Consolidated	
	31 Dec 2022	30 Jun 2022
	$	$
Cash at bank	252,595	83,797
Term deposits	89,375	89,375
Total	**341,970**	**173,172**

6. Current Assets - Trade Receivables

Trade receivables	2,494,453	1,222,308
Provision for expected credit loss	(1,613,639)	(418,225)
Total	**880,814**	**804,083**

Note: The carrying value of trade receivables reflects fair value due to their short term nature.

7. Current Assets - Other Receivables

	Consolidated	
	31 Dec 2022	30 Jun 2022
	$	$
Prepayments	776	776
GST Paid/Received	(41,168)	(71,445)
Deposits to suppliers	105,954	30,000
Retention Receivable	299,514	299,514
Other receivables	15,943	15,886
Total	**381,019**	**274,731**

8. Financial Assets

	Consolidated	
	31 Dec 2022	30 Jun 2022
	$	$
Australian unlisted equity securities (level 3) at fair value (a)	385,000	-
Commercial Bond at amortised cost (b)	250,000	-
Total	635,000	-

(a) The fair value of the investment has been determined based on the last market price sale of the securities (observable market data).
Fair value hierarchy
The Group measures and discloses its assets and liabilities at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

• Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at

• Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either

• Level 3: Unobservable inputs for the asset or liability.

The investment has been measured using level 3 inputs.

(b) Classified as held to maturity and carried at amortised cost.

Estimates and judgement
The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For the above financial asset held at fair value through profit or loss, the Group has estimated its fair value based on recent market transactions.

9. Inventories

	Consolidated	
	31 Dec 2022	30 Jun 2022
	$	$
Inventory Raw Materials	1,103,462	1,601,455

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 half-year ended 31 December 2022. (June 2022: $1,601,455).

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

	31 Dec 2022	30 Jun 2022
Plant & Equipment	4,872,868	4,872,868
Less: Accumulated Depreciation	(3,031,965)	(2,619,151)
	1,840,903	2,253,717
Office Furniture & Equipment	49,750	47,494
Less: Accum Dep Furniture & Equipment	(36,632)	(33,550)
	13,118	13,944
Motor Vehicles	677,072	792,081
Less: Accumulated Depreciation	(378,734)	(451,444)
	298,338	340,637
Total Plant and Equipment	2,152,359	2,608,298
Total Property, Plant and Equipment	**2,152,359**	**2,608,298**

Reconciliations

Reconciliation of the written down values at the beginning and end of the current financial period is set out below:

	Plant & Equipment	Office Furniture & Equipment	Motor Vehicles	Total
Balance at 1 July 2022	2,253,717	13,944	340,637	2,608,298
Additions	-	2,255	-	2,255
Disposals	-	-	(9,486)	(9,486)
Depreciation expense	(412,814)	(3,082)	(32,812)	(448,708)
Balance at 31 December 2022	1,840,903	13,118	298,338	2,152,359

11. Right of use assets

	Consolidated 31 Dec 2022 $	30 Jun 2022 $
Land and buildings - right-of-use	6,678,590	7,566,452
Less: Accumulated Depreciation	(1,697,128)	(1,996,033)
	4,981,462	5,570,419

12. Trade and other payables

	31 Dec 2022 $	30 Jun 2022 $
Trade payables	(1,218,528)	(1,583,452)
Other payables[1]	(728,130)	(595,211)
Customers Deposits	(35,556)	(558,700)
Total	**(1,982,214)**	**(2,737,363)**

Note: The carrying value of trade payables reflect their Fair Value due to their short term nature. Usually payable within 30 to 90 days and are non-interest bearing.

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

13. Borrowings

	31 Dec 2022 $	30 Jun 2022 $
Current		
Bank Loan - Motor vehicles	(106,641)	(70,414)
Director's Loan	24,000	(48,692)
	(82,641)	(119,106)
Non Current		
Bank Loan - Motor vehicles	(102,125)	(168,013)
	(102,125)	(168,013)

14. Leases

AASB 16 Leases

The Group 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 Group 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	
	31 Dec 2022 $	30 Jun 2022 $
Current Lease Liabilities		
Right of use - building	(411,014)	(577,269)
	(411,014)	(577,269)
Non-current leases		
Right of use - building	(5,037,782)	(5,471,025)
	(5,037,782)	(5,471,025)
Total Leases		
Right of use - building	(5,448,796)	(6,048,294)
	(5,448,796)	(6,048,294)

15. Issued Capital

	Consolidated 31 Dec 2022 Number	$
Balance at 1 July 2022	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.

16. Reserves

	Consolidated	
	31 Dec 2022 $	30 Jun 2022 $
Assets acquisition reserve	3,474,146	3,474,146

17. Accumulated Losses

Accumulated losses at the beginning of the financial period	(5,644,416)	(966,234)
Loss after income tax expense for the period	(1,950,072)	(4,678,182)
Accumulated losses at the end of the financial period	(7,594,488)	(5,644,416)

18. Loss per share

	Consolidated	
	6 months to 31/12/2022	6 months to 31/12/2021
Net loss for the period ($)	(1,950,072)	(679,827)
Number of shares issued (number)	87,128,447	86,294,836
EPS (loss per share) (cents)	**(2.24)**	**(0.79)**

19. Risks Management

General

As at the reporting date, the Group is in its early stages of development and does not have formal risk management policies. The board of the Group is responsible for managing the risk associated with its investment decisions and takes into account the credit risk and return on the funds invested.

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	
	31 Dec 2022 $	30 Jun 2022 $
Cash at bank and in hand	341,970	173,172
Trade and other receivables	1,261,833	1,078,814
Investments and bonds	635,000	-
	2,238,803	1,251,986
Trade and other payables	(1,982,214)	(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	
	31 Dec 2022 $	30 Jun 2022 $
Cash at bank	341,970	173,172
Other receivables from once-off transactions with third parties	1,261,833	1,078,814
Investments and bonds	635,000	-
Total	**2,238,803**	**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 31 December 2022			
Cash at bank	341,970	-	341,970
Other receivables from once-off transactions with third parties[(2)]	-	1,261,833	1,261,833
	341,970	**1,261,833**	**1,603,803**
At 30 June 2022			
Cash at bank	173,172	-	173,172
Other receivables from once-off transactions with thrid 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 period was $195,730 (2021: Nil).

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.

20. Events arising since the end of the reporting period

Mr Joshua Letcher, Non-Executive Director and Chairman stepped down from his role due to other business commitments. Mr Letcher's resignation took effect from 31 January 2023.

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

21. Contingent liabilities

The was no contigent liabilities as at the end of the financial period.

22. Commitments

There was no change to other commitment for the half-year.

23. Related Party Transactions

Key management personnel compensation

There has been no changes in related party transactions since the annual reporting date.

Directors' declaration

31 December 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resoluton of directors made pursuant to section 305(5)(a) of the Corporations Act 2001.

On behalf of the directors

Sok Kiang Teoh

Director

9 March 2023

Perth

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Australia Sunny Glass Group Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Australia Sunny Glass Group Limited ("the company") which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

(a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE *2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

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

Responsibility of the directors for the financial report

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

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Independence

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

B G McVeigh
Partner

Perth, Western Australia
9 March 2023