ghim li
Group of Companies

GLG CORP LTD
Annual Report
FY2022

Pioneering Forward
to a Sustainable and Digital World

Ghim Li's NETWORK

OUR SUPPLY CHAIN NETWORK

4 COUNTRIES

56 MILLION

PIECES SHIPPED

COMPANY SECRETARY
Mr Geoffrey Stirton
Mr Hasaka Martin

REGISTERED OFFICE
'Australia Square' Suite 4201,
Level 42, 264-278 George Street,
Sydney, NSW, 2000
Australia

PRINCIPAL ADMINISTRATION OFFICE
21 Jalan Mesin
Singapore 368819

SHARE REGISTRY
Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Australia

Annual Report
FY2022

Contents

Chairperson / CEO's Message

Estina Ang Suan Hong
Chairperson and Founder

Dear Shareholders, Customers, Board Members, Employees and Stakeholders,

In the financial year 2022, our Group has been operating in unprecedented economic conditions due to the spread of the COVID-19 disease outbreak. The regions of Europe, Canada, United States and Asia were severely impacted by the pandemic. Our Asia-based fabric suppliers and our factories were affected by sporadic lockdowns and port congestion due to the lack of containers. The apparel industry was severely affected by the pandemic, which presented our Group with a range of unique challenges that required an immediate and nimble organisational response to factory lockdowns to reduce the impact to our customers.

At the same time, the on-going trade sanctions on Xinjiang cotton have caused prices of cotton raw materials to surge to a record high. Combined with Global supply chain shocks due to border control measures, shortage of containers and port congestion, it has been a truly difficult year for supply chain management. Nevertheless, we have collaborated extensively with our customers

> During pandemic significant increase in demand for athleisure and activewear, which drives the Company's sales **revenue growth of 8.6%** and **gross margin improvement to 20%.**

Felicia Gan Peiling, PBM
CEO

and suppliers, particularly on key items, to prepare for early yarn commitments and calendar adjustments in order to mitigate supply chain delays.

The Group's profit for the fiscal year ended 30 June 2022 was US$5.2 million, up from U$$2.9 million the previous year. The trend of working from home has increased the need for comfortable leisurewear and sleepwear. People also began to take physical health more seriously as a result of the pandemic, resulting in a significant increase in demand for athleisure and activewear, which drives the Company's sales revenue growth of 8.6% and gross margin improvement to 20%. After reviewing our financial results and cash flow situation, the Board has resolved and declared a US$0.015 final ordinary unfranked dividend per share.

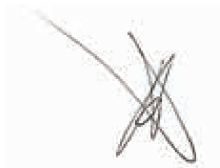
Customers from the United States, Canada and Europe continue to shift sourcing to Southeast Asia for fabric and garment manufacturing to risk manage due to current Geopolitical landscape. Our fabric mill production in Malaysia plays a crucial role in providing our customers with flexibility in response to the fast-changing retail environment in the United States, Canada, and Europe.

Our traditional business models were challenged over the course of the year, particularly in the United States and Canada regions, as our Asia-based factories were confronted with varying degrees of market disruptions such as port congestion and sporadic country lockdowns impacting supply chain across the USA, Canada and Europe retail markets.

Once again, we would like to express our gratitude to entire GLG Corp's team for the commitment, collaboration, devotion, and hard work. We are confident that we can continue to make progress on our growth strategy and dedication to action for the year ahead during this challenging period.

On behalf of the board, we would like to express our gratitude to all our Shareholders, Customers, Board Members, Employees, Suppliers, Stakeholders and Business Partner, for their continuing faith in the GLG Corp. GLG Corp will continue to adapt and be nimble in order to support our customers in these dynamic economic times of high inflation and inventory crises resulting from global supply chain shocks.

Estina Ang Suan Hong
Chairperson and Founder



Felicia Gan Peiling, PBM
CEO

Vision

To be a **WORLD-CLASS LEADER** in textiles and apparel, growing in **STRATEGIC ALLIANCES** with our customers

Mission

TO MAKE OUR CUSTOMERS MORE SUCCESSFUL BY:

Focusing on our **SPEED** of services

Ensuring competitive products **COSTS**

Providing high **QUALITY** products

Meeting / exceeding **COMPLIANCE** standards

Maintaining efficient and effective seamless **SUPPLY CHAIN MANAGEMENT**

Core Values

01 Quality and Efficiency

Commitment to **Quality and Efficiency,** where we build on your business to deliver this promise at all time

02 Customer Focus

Customer-Focus, where we value our customers as the fundamental reason for us to be in business. We act on our customers' terms by offering quality products and solutions, with the best customer services possible. We look for every opportunity where we can exceed our customers' expectations.

03 Diversity and Respect

Diversity and Respect is our life blood and governs the way we do business and makes our company stronger. Our diverse workforce mirrors different cultures and viewpoints to create a work environment for our people to succeed. We encourage our people to express their thoughts and ideas. We treat each other with dignity.

04 Results Orientation

Results Orientation, characterized by our people taking ownership, being accountable for what needs to be done and getting the job done despite obstacles and difficulties

Sustainable Fashion

Resourceful

Making better with less, for a more respectful and sustainable future

Energy Reductions

30% Reduction in Energy Usage (by completing various energy savings projects)

1,244.4Mt Reduction in Greenhouse Gases (2018-2021)

Solid Waste Recycling & Reductions

30% Reduction in Waste (Recycling Program & 6S Management System)

15184.4Mt Reduction of Greenhouse Gases from Solid Waste Reduce & Recycle (2018-2021)

Water Savings

50% Savings of Freshwater used in production (by completing various water saving projects)

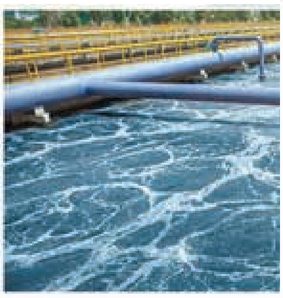
116922Mt of Freshwater saved by recycling steam condensate from the broiler & utilizing recycled rainwater for production (2018-2021)

Packaging

Replaced non-recycled content hangtag to post-consumer recycle content hangtag

77% of Hangtags consist of post-consumer recycled content

Waste Management



Wastewater treatment plant

Dehydrate the sludge from wastewater treatment plant before disposal

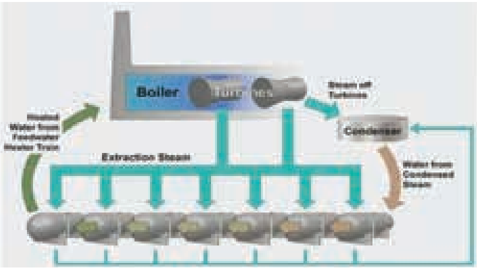
- For general waste, we segregate and recycle the waste to minimize the waste disposal.
- To ensure scheduled waste have proper disposal and minimize risk to employees, prepare dedicated storage place to meet legal requirements under Regulation 9, Storage of Schedule Waste, EQA 1974. Treated waste was sent to licensing third party to dispose.
- To meet buyer's requirements of Walmart Project Gigaton, Walmart sustainability index in accordance with Sustainable Coalition (SAC) Higgs.

Energy & Water Reduction

LED Light

Transparent roof project to reduce light on

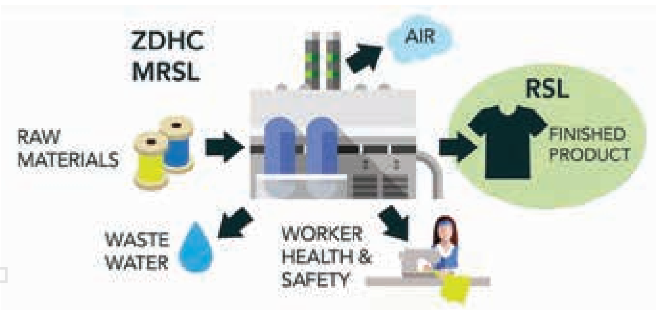
- Since 2017, as a group, we reduce **16,544 mt of CO2 emission** which is equivalent to about reduction of **1,861,593 gallons of gasoline** combusted and counting.



- Utilize back boiler condensate water to save **50%** which is equivalent to **1,169,622 mt of fresh water**.

- Install RO plant to recycle **30%** of wastewater discharge from production which is equivalent to **26,000 m3/month**.

Environment Chemical Safe Product



- To strengthen Healthcare and Garment Chemical Management, Ghim Li uses toxic free chemical products
- Ghim Li has strict supplier screening processes and 100% compliance to customer RSL/MRSL (Restricted Substance List/Manufacturing restricted substance list) program in line ZDHC MRSL 2.0 guidelines
- Bhive is the master platform to analyse and generate individual mills chemical management performance and recommendation for improvements.

Sustainability Fabrics

BCI Better Cotton Initiative   EcoFRESH Yarn®   Tencel™ Feels so right   REPREVE   GLOBAL ORGANIC TEXTILE STANDARD GOTS   REGENTE™

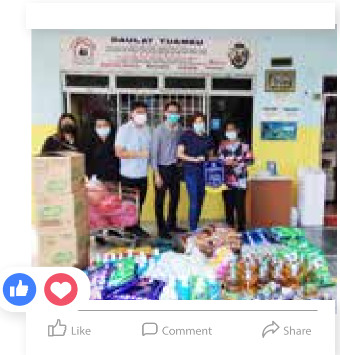
Corporate Social Responsibility

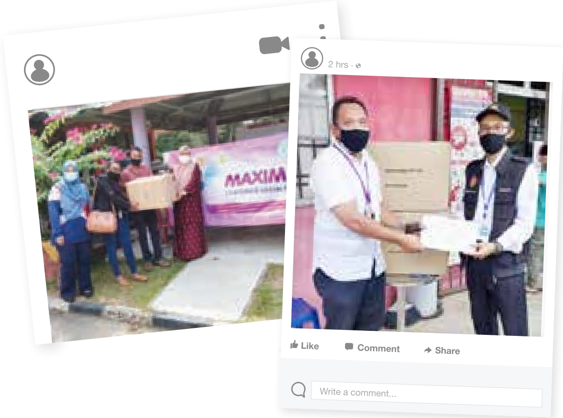
COVID-19 has affected countries globally and mask is the essential to everyone. We understand the needs of the society. As such, GLG has taken the initiative to donate the masks to the societies, located in Singapore, Malaysia, Cambodia and Indonesia.

MALAYSIA

Handicapped and Mentally Disabled Donation

30 August 2022





- **Police Station - Royal Malaysia Police**
  21 June 2021, 14 July 2021
- **Ministry of International Trade and Industry (Kuala Lumpur)**
  29 June 2021
- **Persatuan Pendanut Agama Shan Dao**
  26 July 2021
- **Kementerian Kesihatan Malaysia (KKM) Johor**
  16 August 2021
- **Malaysia Government**
  1 September 2021

CAMBODIA

Ministry of Labour

Mask donation to Ministry of labour and Vocational Training (Cambodia).

3 August 2021

Cambodia Red Cross

Mask donation to Cambodia Red Cross.

18 August 2021

Mett Yeung Association

Mett Yeung Association (M.Y.A), one of the association under MOL.

7 September 2021

Snapshot of GLG Corp Ltd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

01 APPAREL SUPPLY CHAIN SERVICES

- Product Design & Styling
- Product Development (For Volume Manufacturing)
- Material Sourcing
- Technical Support
- Quality Assurance & Compliance
- Warehousing, Logistics & Customs Clearance
- Direct Shipment From Manufacturing Origin to Final Distribution Center of Customer

02 CORPORATE SERVICES

- Business Development
- Marketing & Merchandising
- Sales
- Finance
- Human Resources & General Admin
- Information Technology
- Corporate Affairs & CSR

03 FABRIC & APPAREL MANUFACTURING SERVICES

- Production Planning & Control
- Fabric R&D & Manufacturing
- Apparel Manufacturing
- Printing
- Embroidery
- Wet & Dry Processing

Financial Highlights

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

OUR SUPPLY CHAIN NETWORK
4 COUNTRIES
56 MILLION
PIECES SHIPPED

GROSS MARGIN
US$41,287,000

PROFIT BEFORE TAX
US$6,843,000

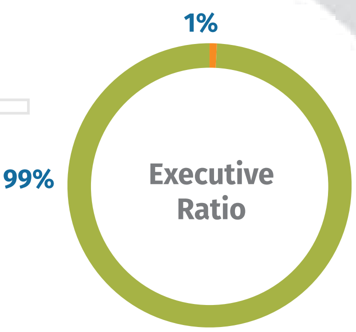
TOTAL EQUITY
US$59,051,000

NET TANGIBLE ASSETS PER SHARE
US60.23 cents

REVENUE
US$199,609.000

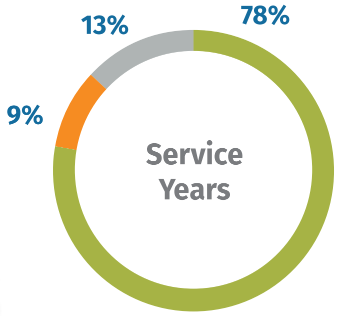
People Highlights

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022



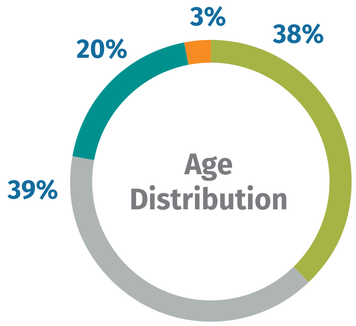
Percentage of Employees in respective Group

- Top Management
- Middle Management
- All Others



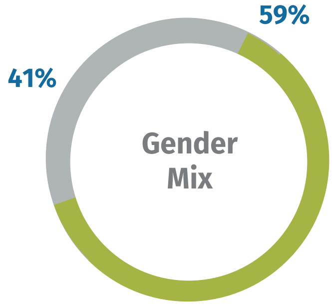
Percentage of Employees in respective categories

- 0 - 5 years
- >5 up to 10 years
- >10 years



Percentage of Employees in their Age Group

- <30 years old
- >30 up to 40 years old
- >40 up to 50 years old
- >50 years old



Percentage of Employees in their Gender Group

- Female
- Male

Key Events

01 First Quarter Jul 2021 to Sep 2021

Aug'21:
August AC, Board meeting held in Singapore HQ to review FY2021 financial, audit etc.

Aug'21:
Declared fully unfranked final ordinary dividend

Aug'21:
Completion of Appendix 4E (Prelim Report)

Aug'21:
Our CEO Felicia Gan received The Augural Public Service Medal 2021 from Singapore Government

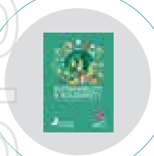
- Ghim Li Featured in Newspaper Wan Bao and Zao Bao

- CEO Felicia Gan featured in Tatlerasia.com

Sep'21:
Statutory Report FY2021 Completed and filed with ASX

02 Second Quarter Oct 2021 to Dec 2021

Oct'21:
Distribute fully unfranked final ordinary dividend



Oct'21
Annual Report FY2021 was completed and made available on Company website and stakeholders

Nov'21:
Annual General Meeting of GLG Corp held in Singapore HQ

Nov'21:
Renewal successfully for GLM's OEKO-TEX certificate.

03 Third Quarter Jan 2022 to Mar 2022

Jan'22:
Renewal successfully for GGF's OEKO-TEX certificate.

Feb'22:
Appendix 4D (First Half of FY2022) financial statement reviewed and filed with ASX

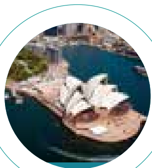
Feb'22: .
Renewal successfully for GLG's GRS certificate.

Renewal successfully for GGF's GOTS certificate.

Feb'22:
Board meeting held in Singapore HQ to review business results, office lease renewal etc

04 Fourth Quarter Apr 2022 to Jun 2022

Jun'22:
Board meeting held in Australia to approve budget FY2023, business strategies, office lease renewal etc.



Jun'22:
Ghim Li featured in Straits Times: HSBC launches US$1B global Fund for women-led businesses

CEO Felicia Gan received The Augural Public Service Medal 2021 from Singapore Government

Felicia met Prime Minister of Singapore, Mr Lee Hsien Loong at The Istana, Singapore on 29 June 2021

"Met some female business leaders yesterday and today. Learnt much about their businesses and plans, how the pandemic has impacted them professionally and personally, and what they are doing to support their teams through these challenging times."

Ghim Li Featured in Newspaper Wan Bao and Zao Bao

联合早报

联合早报

率"锦利"量产布口罩抗疫
颜珮玲获颁公共服务奖章

联合晚报
Lianhe Wanbao

制衣厂首席执行官
临危受命产口罩应急
颜珮玲获颁国庆奖章

CEO Felicia Gan featured in Tatlerasia.com

Tatler

How I'm Making It: How Esta CEO Felicia Gan Went From Law to Transforming the Sanitiser Industry

Ghim Li featured in Straits Times: HSBC launches US$1B global Fund for women-led businesses

Female entrepreneurs and business owners in Singapore who are HSBC clients can apply to a US$1 billion (S$1.38 billion) fund to grow their businesses and get access to networking opportunities and funding classes. HSBC launched the global Female Entrepreneur Fund (Fund) on May 12 for female-owned businesses across 11 markets, including Singapore.

Ms Felicia Gan, chief executive officer of a textile manufacturer, said: "Funding and cash flow is the lifeline of any small business and without banking support, it is virtually impossible to grow the business." With the support, Ghim Li grew into an international business with 9,000 employees in six countries.

Ms Gan said: "With the trend of growing number of female entrepreneurs and leaders, I believe that there is a need to start to group together so that we are able to learn from one another and build a good network of future women leaders and entrepreneurs.'

THE STRAITS TIMES

HSBC launches US$1b global fund for women-led businesses

Operational Highlights

3D Virtual Technology

We have invested in a technology that will provide Merchants & Product Development associates with the ability to walk our showroom, inclusive of our shipment and development libraries, virtually for Kid's, Ladies, and Men's categories.

Investment in 3D technology software like CLO and Browzwear

These design software are cutting-edge 3D simulation engines that allows one to create true-to-life virtual garments and bringing evolution to design and fitting processes with shorter development leadtimes. Our adoption rate has increased due to the fast sampling turnover time and cost savings for physical prototype samples. Embracing 3D technology is the future for the garment industry.

Real Time Development

Able to digitise 2D Cads into 3D virtual sampling based on tech pack, actual fabrication, pattern modification and fitting on digital Alvanon to the final product.

Effective Communication

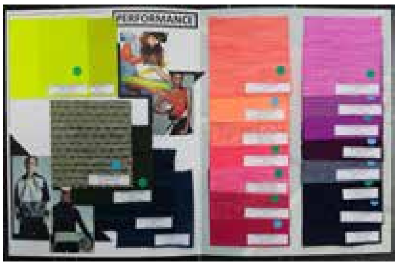
With the use of CLO-SET and Stylezone viewing platforms, users will have full visibility and participate at every stage in the process from design through merchandising. Eg, making changes on the fit or design.

Fabric Kit Analysis

This fabric kit enables to determine the thickness, stretch properties of your fabric and automatically load the values into CLO or Browzwear software program. The drape lines will be simulated based on the properties.

“We are a leader in 3D technology and showcase our developments with a wide range of customers and categories.

Customised Designs & Graphic Creation



Partnership in the Creative Process

> Customized seasonal design collection, directional graphic creation, fabric and trim sourcing.

Meet Global Compliance Standards

As the industry faces heightened customer awareness & expectation, Ghim Li as a responsible supply chain understands the need to adhere strictly to global quality and compliance standards.

Our Suppliers and all our facilities aim to meet or excel in every compliance standards relating to **Social Compliance, CTPAT Compliance;** and **Environment Compliance** and are regularly audited by 3rd Party auditors.

BCI Better Cotton Initiative www.bettercotton.org

Higg Index

LEADING THE WAY TO RESPONSIBLE COTTON — COTTON LEADS

ORGANIC 100 content standard

WRAP — 12 PRINCIPLES

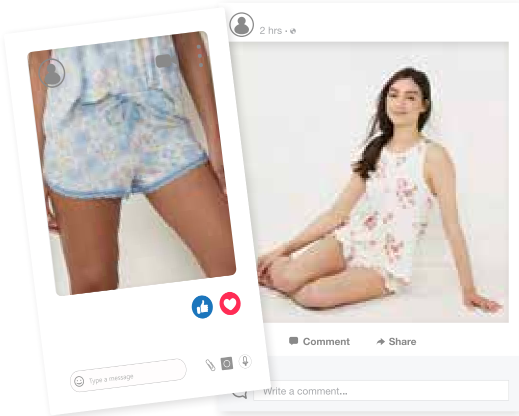
GLOBAL ORGANIC TEXTILE STANDARD — GOTS — CU: 1077416

OEKO-TEX® CONFIDENCE IN TEXTILES STANDARD 100 — 19.0.81624 HOHENSTEIN HTTI — Tested for harmful substances. www.oeko-tex.com/standard100

ProjectGigaton

ILO International Labour Organization

SMETA



Operational Highlights

MALAYSIA
Ghim Li Fashion (M) Sdn. Bhd.

> Established: 1984
> Employees: 435
> Sewing lines: 10
> Capacity: 35,000 dozen per month
> Close proximity to Maxim Textile Technology
> Quick sample return
> Vertical set-up

Higg Index · OEKO-TEX® STANDARD 100 · WRAP 12 PRINCIPLES · ISO 9001:2015 · ISO 13485:2016

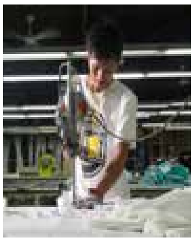
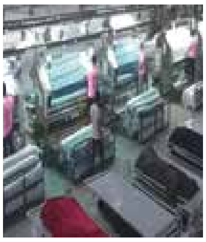
MALAYSIA
Maxim Textile Technology Sdn. Bhd.

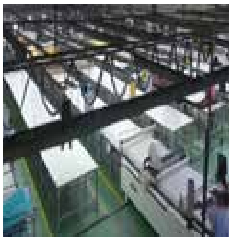
> Established: 1972
> Employees: 400+
> Proximity to garment factory
> ISO Knitting Machine in 24 hours operations
> Dyeing capability of up to 2 million lbs./ month
> Macy's self-approval colorist
> Ability to support replenishment

BCI www.bettercotton.org · OEKO-TEX® STANDARD 100 · Higg Index · GOTS CU: 1077416 · Organic 100 Content Standard · SMETA

INDONESIA
PT. Ghim Li Indonesia (Outsourced manufacturer)

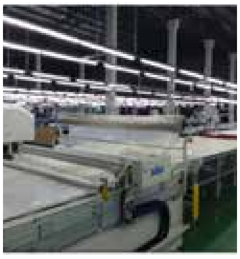
- Established: 2005
- Employees: 3,800+
- Sewing lines: 64
- Capacity: 3.36 million pieces per month
- Average 30 operator per line divided into day & night shift
- 5-Day work week
- The close proximity to Singapore allows access to world-class shipping facilities.
- VAT, local service tax and import duty exemptions.

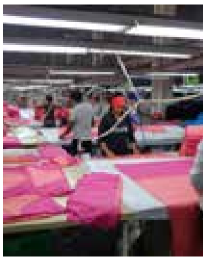





CAMBODIA
GG Fashion (Cambodia) Co. Ltd.

- Established: 2017
- Employees: 2,200+
- Sewing lines: 46
- Capacity: 1.02 million units per month



CAMBODIA
GG Fashion (Cambodia) Co. Ltd. (Branch)

- Established: 2018
- Employees: 1,250+
- Sewing lines: 36
- Capacity: 800,000 units per month



Audit Committee Report

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Peter Tan
Chairman, Audit Committee & Independent Director

Type a message

DEAR SHAREHOLDERS,

I am pleased to present our Audit Committee ("AC") Report for the fiscal year ended 30 June 2022.

1. Re-appointment of BDO as external auditor and progress of the handover of engaging partner

Mr Steve May had taken over as the audit partner after Mr Ryan Pollett was rotated after his fifth year of assignment.

The AC have expressed its appreciation to Ryan for the smooth handover and to Steve for the successful transition during his first year's term.

Audit Independence

The AC have reviewed the non-audit engagement and other services of the external auditor for FY2022 and confirmed that their independence and professional conduct in relation to the FY2022 audit have complied with the Corporation Act 2001.

At the AC meeting held on 26 August 2022, the committee recommended the re-appointment of the external auditor to the Board for the next financial year and will be included in the agenda at the upcoming AGM in November 2022.

2. Key Audit Matters

The Group's financial statements for the ended 30 June 2022 were tabled with the BDO's Audit Report for review and discussion before submitting them to the Board for its approval.

The recoverability of total receivables due to its material balances and potential for overstatement were discussed as a key audit matter as the risk assessment were deliberated with management. The AC reviewed management's work with respect to ageing, trends, judgement and other test for recoverability were made in the following areas:

Valuation of GLIT Receivables

The valuation of the GLIT receivables on the whole with the receivables from GLIT Holdings and receivables from outsourced manufacturing suppliers as disclosed in Note 11 were material to the audit process because as at 30 June 2022 the balance was $17,926,182 and included assessment and various assumptions used for the recoverability test.

The valuation procedure used by the Group were based on assumptions of the trade cycle in particular to the trust receipts and the overall working capital of the Group.

How the matter was addressed in the auditor's report

Recoverability as at the reporting date included the following procedures:

(a) The normal trade receivables ageing was within settlement terms against the trends in the business cycle and payment terms were found to be acceptable; and

(b) The analysis of the turnover and recoverability of the outstanding balances were verified to occur within the time frame that could match the overall working capital cycle requirement of the Group.

3. Appreciation

Once again, I would like to thank Ryan for the invariable handover and to Steve together with the BDO Team for the successful transition to ensure continuity in the level of commitment to deliver timely completion of the audit sign off to meet the Group's reporting deadlines.

Peter Tan
Chairman, Audit Committee & Independent Director

Corporate Governance Statement

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

COMPOSITION OF THE BOARD

The composition of the Board is determined in accordance with the following principles and guidelines:

- the Board should comprise directors with an appropriate range of qualifications and expertise; and
- the Board shall meet regularly and follow guidelines set down to ensure all directors are made aware of, and have available, all necessary information to participate in an informed discussion of all agenda items.

The Directors in office at the date of this statement are as follows:

Name	Position
Estina Ang Suan Hong	Executive Chair
Peter Tan	Independent Non-Executive Director
Grant Hummel	Independent Non-Executive Director
Felicia Gan Peiling	Chief Executive Officer

The skills, experience and expertise relevant to the position of director as well as the period of office held by each director are set out in the Directors' Report on page 38 to 40.

ESTINA ANG SUAN HONG

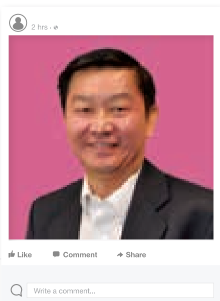
Founder, Chairman
and Executive Director
Member of Nomination &
Remuneration Committee

FELICIA GAN PEILING, PBM

Chief Executive Officer
Executive Director

GRANT HUMMEL

Independence Director
Chairman of Nomination &
Remuneration Committee
Member of Audit Committee



PETER TAN

Independence Director
Chairman of Audit Committee
Member of Nomination &
Remuneration Committee

BOARD RESPONSIBILITIES

As the Board acts on behalf of the shareholders and is accountable to the shareholders, the Board seeks to identify the expectations of the shareholders as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. The Board, through the Audit Committee, receives reports from management on an on-going basis as to the material risks associated with the company's operations and the recommended risk mitigation process that they undertake. The Board has established a Code of Conduct which in summary, requires that at all times Directors and employees act with the integrity, objectivity and in compliance with the letter and spirit of the law and company policies. GLG has established a written policy designed to ensure compliance with ASX listing rule disclosure and accountability as senior executive level for compliance.

Under the guidance of the ASX's Corporate Governance Principles and Recommendations (4th edition), the Board has established a Nomination and Remuneration Committee and an Audit Committee. The name of members of each committee and their attendance at meetings is contained on page 45 of the Annual Report.

The Nomination and Remuneration Committee has established a policy prohibiting transactions in associated products which limit the economic risk of participating in unvested entitlements under equity-based remuneration scheme.

A copy of the Company's Code of Conduct, Audit Committee charter and Nomination and Remuneration Committee charter and the terms and conditions of the continuous disclosure and shareholder communication policy is made publically available on the Company's website.

DIVERSITY

The Company has implemented a Diversity Policy. This policy sets as a target 25% of all Board seats and management positions to be held by women. The Board is also considering other means to encourage diversity. The Company recognises the benefits of a diverse workforce and is committed to providing an environment that encourages diversity. The Board monitors the diversity profile of its workforce. As the Company already has gender diversity as evidenced by the proportion of women reported below, the Board has not set any measurable objectives.

At 30 June 2022, the proportion of women employed by GLG Corp Ltd was:

- Board of Directors 50%
- Senior Executives 47%
- Total Workforce 59%

DEALING IN GLG CORPORATION'S SECURITIES BY DIRECTORS AND EMPLOYEES

Directors, officers and employees of the Company are prohibited from trading in GLG securities during the closed trading period between the completion of a listed company's financial results and 1 trading day following the announcing of these results to the public. The close period is typically regarded as the two-month period preceding the release of a company's half-yearly and preliminary final results. A full outline of the Company's securities trading policy has been made available on the Company website.

RISK MANAGEMENT POLICY

Risk is an inherent part of GLG Corp's business, which operates in a highly competitive market sector. GLG Corp is committed to the management of risk as an integral part of its business, focusing on strategies to minimise risk which are regarded as threats to its achievement of objectives and goals.

The objectives of this policy are to:

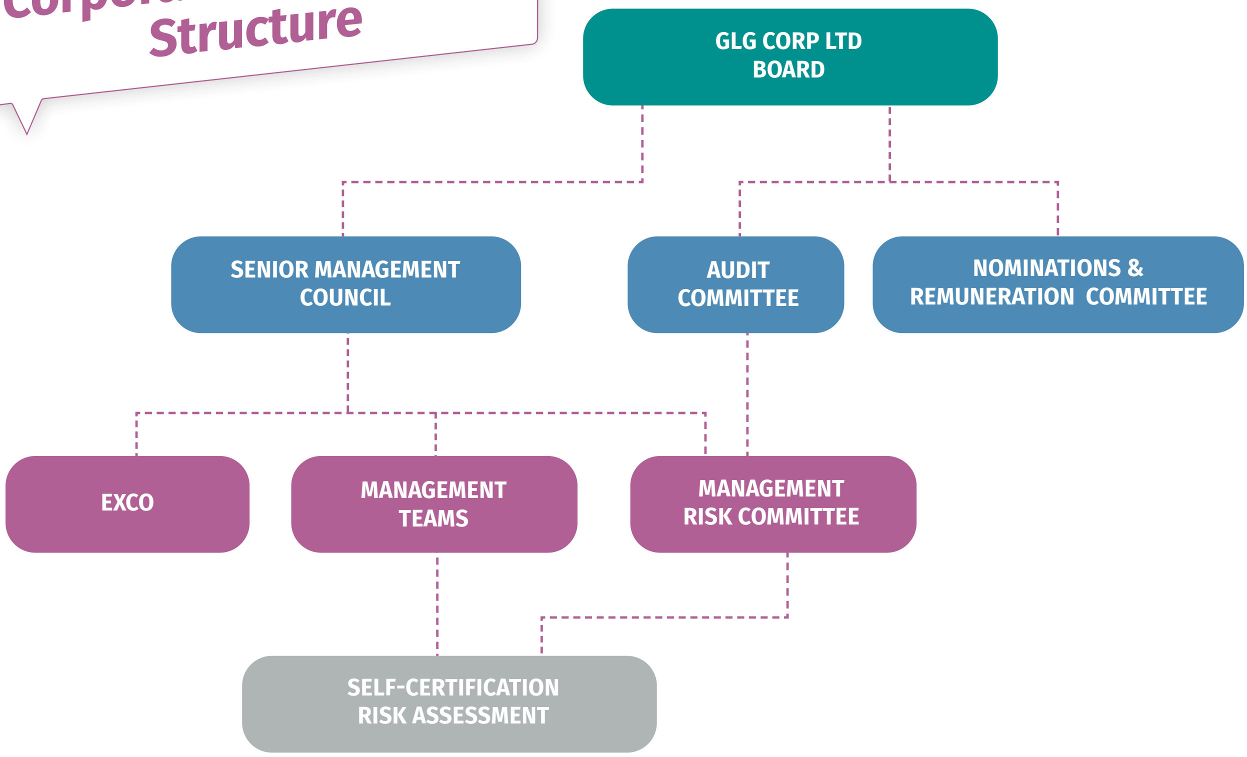
- outline the company's approach to risk management;
- improve decision-making, accountability and outcomes through the effective use of risk management;
- integrate risk management into daily operations of the company and its outsourced business partners; and
- consider risk appetite in protecting staff and business assets and strategy execution.

GLG Corp is committed to managing risk in order to benefit the company and manage the cost of risk. To meet this commitment, risk is every employee's business. All employees are required to be responsible and accountable for managing risk in so far as reasonably practicable within their area of responsibility.

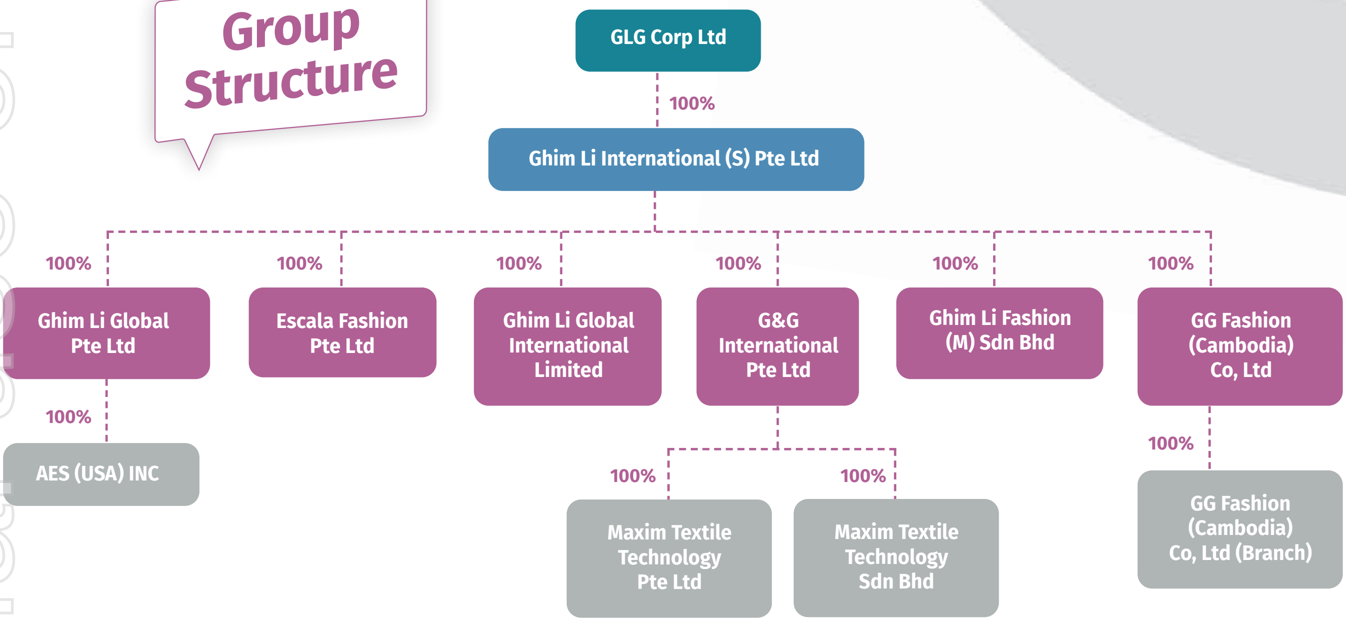
Sound risk management principles and practices must become part of the normal management strategy for all business units within GLC Corp including its outsourced business partners.

The management of risk is to be integrated into GLG Corp's existing planning and operational processes and fully recognised in GLG Corp's reporting processes.

Corporate Governance Structure



Group Structure

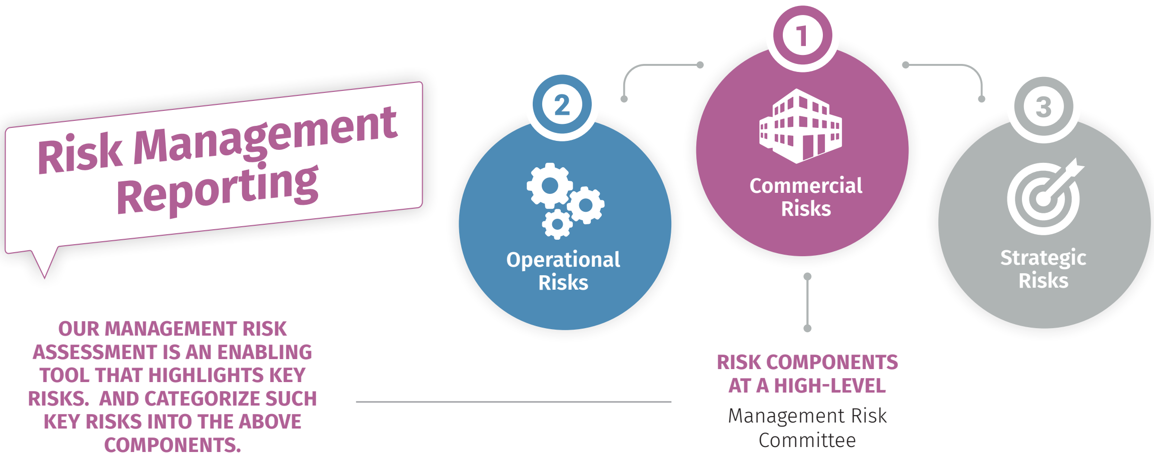


The following table summarises the roles and responsibilities of each level in discharging their duties on risk management:

BOARD	Provides policy, oversight and review of risk management
AUDIT COMMITTEE	Overseas regular review of risk management activities
CHIEF EXECUTIVE OFFICER	Drives culture of risk management and accountable for protecting the company from unacceptable costs or losses associated with its operations
RISK COMMITTEE	Develop and implement systems for effectively managing the risks that affect the achievement of objectives and operational outcomes. Continuously improving risk management policy, strategy and supporting framework
SENIOR MANAGEMENT	Ensure staff in their business or functional units comply with the risk management policy and foster a culture where risks can be identified and escalated
STAFF, BUSINESS PARTNERS AND CONTRACTORS	Comply with risk management policies and procedures

The following are the specific risk categories included in the risk register and reporting:

- Customer risks (including their financial conditions, solvency, credit worthiness);
- Competitor risks;
- Investment risks;
- Operational risks;
- Outsourced partner and contract manufacturing risks;
- Legal, regulatory and compliance risks (including product liability, legal compliance guideline set by customers);
- Resources risks (including HR, IT, etc.);
- Finance risks (including liquidity, trade credit financing, foreign exchange, etc.);
- Reputation risks; and
- External factor risks



OPERATIONAL RISKS

> Operations
> Outsourced Partner & Manufacturing
> Legal, Regulatory & Compliance
> Resources (e.g. Human Resources, Information systems, Corporate resources, Property or Assets, etc.)
> Finance

COMMERCIAL RISKS

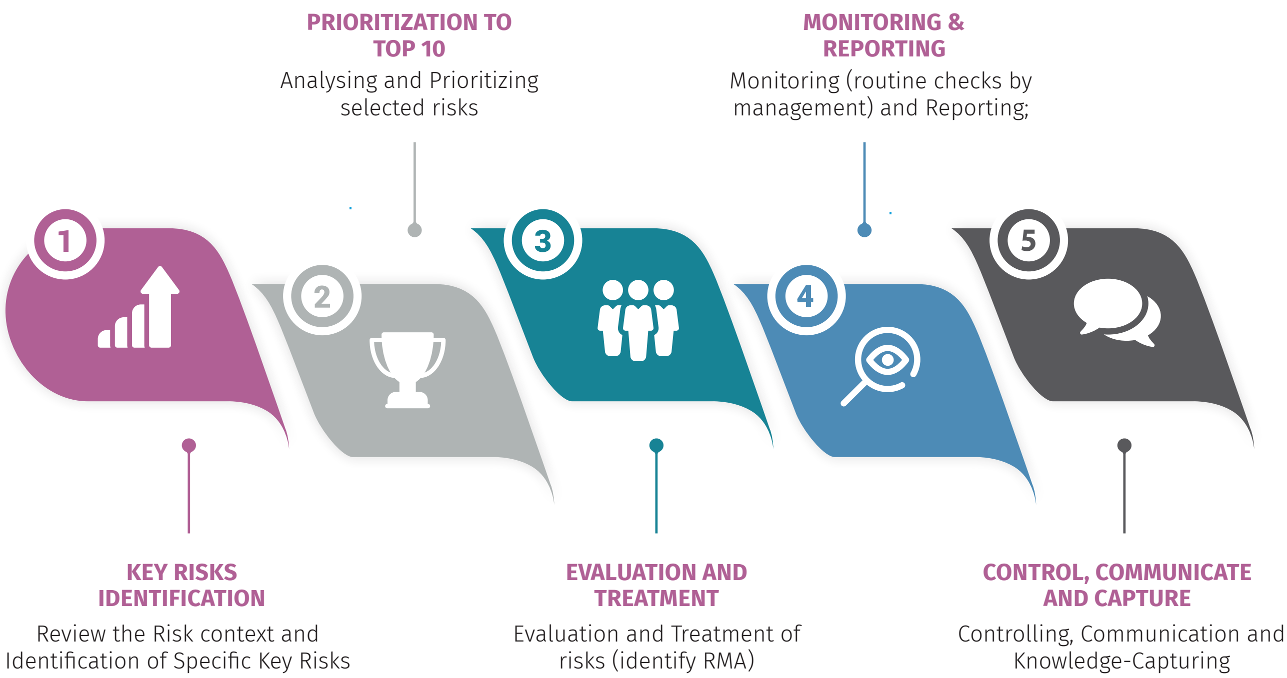
> Customer Business
> Competitors
> Reputation

STRATEGIC RISKS

> Investment
> External Factors (e.g. Hazards)

GLG Corp's Risk Management Process

We implement a 5-step process in risk management as follows:



The Management Risk Committee is responsible for reviewing this policy document in conjunction with senior management and staff every year. The outcome of this review process is submitted to the Board for approval. The Management Risk Committee indicates, in its opinion and based on its activities, any significant residual business risks which remain at an unacceptably high level.

Full disclosure of the Company's policies in relation to risk oversight and management of material business risk are made publicly available on the Company website.

AUDIT COMMITTEE

The Audit Committee reviewed the statement of financial position of the consolidated financial statements of GLG for the financial year ended 30 June 2022, as well as the Independent Auditor's Report thereon before submitting them to the Board for its approval. The Audit Committee discussed with Management the accounting principles that were applied and also considered the appropriateness of the critical accounting estimates and judgments made in preparing the financial statements.

The following significant matters impacting the financial statements were discussed with Management and the external auditor and were reviewed by the Audit Committee:

Key Audit Matters	How the Audit Committee reviewed these matters and what decisions were made
Due to the material balance and potential for overstatement, recoverability of receivables is assessed as a risk.	The Audit Committee ("AC") assessed and confirmed the following: a) Normal trade receivables in GLG Corp Ltd have been reviewed for recoverability with respect to ageing, trends and current industry practice. It was noted that the ageing of the receivables did not show any customer having old-aged receivables and that the balances by key customers within the receivables are in line with current trends in business with no recoverability issues; and The valuation of the GLIT* Receivable continues to be an area of focus due to the commercial nature of GLG's business. The AC had reviewed management's extensive assessment of the GLIT receivable to support its recoverability. With the accessibility of trust receipts available for offset and the amount of available collaterals in place, the receivable is evaluated to be recoverable at the reporting date.

* *Please refer to the Notes to the Financial Statements Note 11 for the details of GLIT.

OTHER INFORMATION

The Company's corporate governance practices and policies in relation to the matters reserved to the board, matters delegated to senior executives and a copy of the board charter are publicly available at the Company's registered office. The policies have also been posted on the Company's website.

CORPORATE GOVERNANCE STATEMENT

The Directors and management of GLG Corp Ltd (**GLG** or the **Company)** are committed to conducting the business of GLG and its controlled entities (the **Group**) in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the *ASX Corporate Governance Principles and Recommendations (Fourth Edition)* (**Recommendations**) to the extent appropriate to the size and nature of the Group's operations.

The Company has prepared this statement which sets out its corporate governance practices that were in operation throughout the financial year ended 30 June 2022. This statement identifies any Recommendations that have not been followed and provides reasons for not following such Recommendations. This statement is current as at 1 September 2022 and has been approved by the Board of GLG.

The Company's corporate governance policies and charters and policies are all available under the Investor Info section of the Company's website (https://www.ghimli.com/investor-relations/companys-charter/) (the **Website**).

ASX Recommendation		Status	Reference / Comment
Principle 1 – Lay solid foundations for management and oversight *A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.*			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Complying	The Board has adopted a charter which establishes the role of the Board and its relationship with management. The primary role of the Board is the protection and enhancement of long-term shareholder value. Its responsibility is the overall strategic direction of GLG. The functions and responsibilities of the Board and management are consistent with ASX Principle 1. A copy of the Board Charter is posted on the Website. As the Board acts on behalf of the shareholders and is accountable to the shareholders, the Board seeks to identify the expectations of the shareholders as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

	ASX Recommendation	Status	Reference / Comment
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Complying	The Board has a formal Nomination & Remuneration Committee. The Nomination & Remuneration Committee's functions and powers are formalised in a Charter and is posted on the Website. It is the role of the Nomination & Remuneration Committee to identify suitable candidates to complement the existing Board, to undertake appropriate checks on the candidate; to seek confirmation from the candidate that he/she will have sufficient time to fulfil his or her responsibilities as a director; and subject to the results of such checks and confirmations, to make recommendations to the Board on their appointment. The Company provides information to shareholders about Directors seeking re-election at the annual general meeting to enable them to make an informed decision on whether or not to re-elect the Director, including their relevant qualifications and experience and the skills they bring to the Board; details of any other listed directorships held by the Director in the preceding 3 years; the term of office already served by the Director; whether the Director is considered to be independent; and recommendation by the Board in respect of the re-election of the Director.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complying	Each Director is given a letter upon appointment which outlines the Director's duties, obligations, remuneration, expected time commitments and notification of the Company's policies. Similarly, senior executives including the CEO and CFO, have a formal job description and services agreement describing their term of office, duties, rights and responsibilities, and entitlements on termination. The company will disclose the material terms of any employment, service or consultancy agreement it enters into with its CEO (or equivalent).
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Complying	The Company Secretary is responsible for co-ordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies, ASX and all statutory and other filings. The Company Secretary is accountable to the Board, and all Directors have access to the Company Secretary. The decision to appoint or remove the Company Secretary is to be made and/or approved by the Board.

	ASX Recommendation	Status	Reference / Comment
1.5	A listed entity should: (a) have and disclose a diversity policy; (b) through its board or committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executive and workforce generally; and (c) disclose in relation to each reporting period: 1. the measurable objectives set for that period to achieve gender diversity; 2. the entity's progress towards achieving those objectives; and 3. either: A. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or B. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	Complying	The Company is committed to the principles of employing people with a broad range of experiences, skills and views. All executives, managers and employees are responsible for promoting workforce diversity. The Company has adopted a Diversity Policy which can be viewed on the Website. This policy sets as a target 25% of all Board seats and management positions to be held by women. The Board is also considering other means to encourage diversity. The Company recognises the benefits of a diverse workforce and is committed to providing an environment that encourages diversity. The Board monitors the diversity profile of its workforce. As the Company already has gender diversity as evidenced by the proportion of women reported below, the Board has not set any measurable objectives. There are currently 2 female Executive Directors and 2 male Non-Executive Directors on the Board. The Company discloses the respective proportions of men and women in senior executive positions and across the whole organisation within its Annual Report. The Company is not considered a "Relevant Employer" under the Company's Workplace Gender Equality Act (WGEA) and therefore has not lodged a WGEA Report for the 2021/2022 period.
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process during or in respect of that period.	Complying	The Directors undertake an annual process to review the performance and effectiveness of the Board, the Board Committees and individual directors. The CEO leads a discussion and provides feedback to the individual Directors as necessary. This process was completed during the reporting period.

	ASX Recommendation	Status	Reference / Comment
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation was undertaken in the reporting period in accordance with that process during or in respect of that period.	Complying	The Company's CEO evaluates the performance of GLG's senior executives annually. The Nomination & Remuneration Committee reviews the CEO's performance annually. The Committee also reviews and approves senior management bonuses. An evaluation was completed during the reporting period.
Principle 2 – Structure the Board to be effective and add value *The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.*			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Complying	The Board has a formal Nomination & Remuneration Committee comprising two independent directors (Grant Hummel and Peter Tan) and Madam Estina Ang (the Executive Chair). The Chair of the Nomination & Remuneration Committee is Grant Hummel. The Nomination & Remuneration Committee's powers are formalised in a Charter and is posted on the Website. The number of times that the Nomination & Remuneration Committee met throughout the financial year and the individual attendances of the members at those meetings are disclosed in the Company's Annual Report.

ASX Recommendation		Status	Reference / Comment
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Complying	The Board aims to be comprised of Directors which have, at all times, the appropriate mix of skills, experience, expertise and diversity relevant to the Company's businesses and the Board's responsibilities. The Board regularly evaluates the mix of skills, experience and diversity at the Board level, and has developed and adopted a Board skills matrix which has been tailored to the circumstances and requirements of GLG. It is intended that the skills matrix will be reviewed at least annually by the Board to ensure that ongoing needs in relation to supervising the Company and its operations are being met, and to take into account any changes in the Company's circumstances and strategic priorities. The objectives of the skills matrix adopted by the Board are to: ▪ Identify the skills, knowledge, experience and capabilities that are considered to be desired of the Board as a whole, in order for the Board to fulfil its role and in light of the Company's strategic direction; ▪ Ascertain the current skills, knowledge, experience and capabilities of the Board, and provide the incumbent Directors with an opportunity to reflect upon and discuss the current composition of the Board; and ▪ Identify any gaps in skills or competencies that can be addressed in future director appointments. In respect of the reporting period, the Board assessed each Director's skill level against the following key skills set out in the matrix which the Board considered to be desired of the Board of GLG: ▪ Strategic and Commercial Acumen – The ability to define strategic objectives, constructively question business plans and implement strategy using commercial judgement. ▪ Financial Acumen – Financial knowledge, accounting or related financial management qualifications and experience. ▪ Risk & Compliance – An understanding of compliance matters and risk management, including environmental, technological and governance risk. ▪ Executive Leadership – Experience in senior leadership roles, including on the boards of other listed companies. ▪ Diversity – The ability to contribution to inclusion and diversity. ▪ International/Global – Senior leadership experience across a range of international businesses and exposure to a range of political, cultural, regulatory and business environments. The Board considers that it currently has an appropriate mix of skills and diversity and provides in the Company's Annual Report information about the skills, experience and expertise of each Director.

	ASX Recommendation	Status	Reference / Comment
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Complying	Currently the Board comprises four Directors as follows: Peter Tan – Independent Non-Executive Director Grant Hummel – Independent Non-Executive Director Estina Ang – Executive Chairman Felicia Gan – Chief Executive Officer The Board has considered the circumstances of each Director and determined that all Non-Executive Directors are independent as described in item 2.3 of the Recommendations. The Corporations Act 2001, the Company's Constitution and the Board meeting process requires Directors to advise the Board of any interest that they have that has the potential to conflict with the interests of GLG, including any development that may impact their perceived or actual independence. If the Board determines that a Director's status as an independent Director has changed, that determination will be disclosed and explained in a timely manner to the market. The length of service of each Director is set out in the Company's Annual Report. Independent Directors formally advise the Board of their independent (or other) status each year.
2.4	A majority of the board of a listed entity should be independent directors.	Non-Complying	Currently, the Board comprises two independent Non-Executive Directors and two Executive Directors. The Company believes this in an appropriate mix of skills and experience.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Non - Complying	The Company has now separated the role of Chair and CEO. Felicia Gan has assumed the role of CEO and Estina Ang remains in the position of Chair. Although Estina Ang is not an independent director, the Board are comfortable that Estina Ang is the best candidate for the Chair position.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Complying	The Company has procedures and policies in place to assist Directors in fulfilling their responsibilities. Each Director, at any time, is able to seek reasonable independent professional advice on any business matter at the expense of the Company. Directors also have access to adequate internal resources to seek any information from any officer or employee of the Company, or to require the attendance of management at meetings to enable them as Directors to fulfil their duties.

	ASX Recommendation	Status	Reference / Comment
	Principle 3 – Instil a culture of acting, lawfully, ethically and responsibly *A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.*		
3.1	A listed entity should articulate and disclose its values.	Complying	The Company discloses its Core Values within its Annual Report.
3.2	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	Complying	The Board has established a Code of Conduct which articulates acceptable practices for directors, senior executives and employees, to guide their behaviour and to demonstrate the commitment of the Company to ethical practices. The CEO, Felicia Gan is responsible for bringing breaches of the Codes to the attention of the Board, and breach reporting is a standing agenda item at Board meetings.
3.3	A listed entity should: (a) Have and disclose a whistleblower policy; and (b) Ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Complying	The Company has established a Whistleblower Policy, a copy of which can be found on the Website. The purpose of the Whistleblower Policy is to identify wrongdoing that may not be uncovered unless there is a safe and secure means for disclosing. The Board and its management team are committed to listen to any concern from any whistleblower who raises the risk to the company, in terms of values, integrity etc, such as suspicion of fraud, corruption, criminal acts or acts of reputation risk in relation to the staff/ employees/management of the organisation. On the basis of this commitment, this policy is intended to serve the purpose of outlining the procedures for a) reporting and processing such information; and b) conducting an investigation into the issues raised by the whistleblower for final resolution including remedial action. The CEO, Felicia Gan is responsible updating the Board on any whistleblower reports and is a standing agenda item at Board meetings.
3.4	A listed entity should: (a) Have and disclose an anti-bribery and corruption policy; and (b) Ensure that the board or a committee of the board is informed of any materials breaches of that policy.	Complying	The Company has established an Anti-Bribery and Corruption Policy, a copy of which can be found on the Website. The CEO, Felicia Gan is responsible for bringing breaches of the Anti-Bribery and Corruption Policy to the attention of the Board, and breach reporting is a standing agenda item at Board meetings.

	ASX Recommendation	Status	Reference / Comment
Principle 4 – Safeguard the integrity of corporate reports *A listed entity should have appropriate processes to verify the integrity of its corporate reports.*			
4.1	A listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, (3) and disclose: (4) the charter of the committee; (5) the relevant qualifications and experience of the members of the committee; and (6) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Non- Complying	Currently, the Board comprises two independent Non-Executive Directors and two Executive Directors. The Company believes this in an appropriate mix of skills and experience. The Board has a formal Audit Committee currently comprising two independent Directors – Grant Hummel and Peter Tan and one Executive Director – Felicia Gan (the Company's CEO). The role of the Audit Committee is to advise on financial information prepared for use by the Board or for inclusion in financial statements. The Chair of the Audit Committee is Peter Tan. The Audit Committee's functions and powers are formalised in a Charter and is posted on the Website. The number of times that the Audit Committee met throughout the financial year and the individual attendances of the members at those meetings, and the relevant qualifications and experience of the Audit Committee members are disclosed in the Company's Annual Report and below under 'Directors Meetings'.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Complying	The Directors are committed to the preparation of financial statements that present a balanced and clear assessment of the Company's financial position and prospects. The Board reviews GLG's half yearly and annual financial statements. The Board requires that the CEO and CFO state it writing that GLG's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results are in accordance with relevant accounting standards and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Complying	The Company's full year and half year reporting is audited and reviewed, as the case may be, by an external auditor. Annual directors' reports are verified by the Board, which seeks documents and information from the Management and subject- matter experts where necessary.

	ASX Recommendation	Status	Reference / Comment
	Principle 5 – Make timely and balanced disclosure *A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.*		
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Complying	The Company has a documented policy which has established procedures designed to ensure compliance with the ASX Listing Rule continuous disclosure requirements and to ensure that accountability at a senior management level for that compliance. The focus of these procedures is on continuous disclosure of any information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's securities and improving access to information for all investors. The CEO and the Company Secretary are responsible for interpreting GLG's policy and where necessary informing the Board. The purpose of the procedures for identifying information for disclosure is to ensure timely and accurate information is provided equally to all shareholders and market participants.
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after the have been made.	Complying	The Board receives copies of all material market announcements promptly after they have been made.
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Complying	All investor or analyst presentations are released to the ASX market announcements platform ahead of the presentation.

ASX Recommendation		Status	Reference / Comment
Principle 6 – Respect the rights of security holders *A listed entity should provide its securityholders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.*			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Complying	The Board informs all shareholders of all major developments affecting GLG's state of affairs as follows: 1. Placing all relevant announcements made to the market, on the Website after they have been released to ASX; 2. Publishing all corporate governance policies; and 3. Placing the full text of notices of meeting and explanatory material on the Website.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two- way communication with investors.	Complying	The Company communicates with its shareholders and investors by posting information via the ASX or website, and by encouraging attendance and participation of shareholders at general meetings. Management and/or Directors may meet with shareholders from time to time upon request and respond to any enquiries they may make.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Complying	Shareholders are encouraged to attend the Annual General Meeting (AGM). The AGM is an opportunity for shareholders to hear the Directors provide updates on Company performance, ask questions of the Board and vote on the various resolutions affecting the business. Shareholders are given an opportunity to ask questions of the Company's auditors regarding the conduct of the audit and preparation and content of the auditor's report.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Complying	All resolutions at GLG's general meetings are decided by way of a poll.
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Complying	Investors are able to communicate with the Company electronically via the Website. Investors are also able to communicate with the Company's registry electronically by emailing the registry or via the registry's website.

<table>
<tr><th colspan="2">ASX Recommendation</th><th>Status</th><th>Reference / Comment</th></tr>
<tr><td colspan="4">Principle 7 – Recognise and Manage Risk
A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework</td></tr>
<tr><td>7.1</td><td>The board of a listed entity should:
(a) have a committee or committees to oversee risk, each of which:
(1) has at least three members, a majority of whom are independent directors; and
(2) is chaired by an independent director,
and disclose:
(3) the charter of the committee;
(4) the members of the committee; and
(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</td><td>Complying</td><td>The Board is responsible for the management of risk due to the current size of the Board. GLG is committed to embedding risk management practices to support the achievement of business objectives. The Board is responsible for reviewing and overseeing the risk management strategy and ensuring GLG has an appropriate corporate governance structure. Within that overall strategy, management has designed and implemented a risk management and internal control system to manage material business risks.
GLG has implemented a 5-step process to manage risk as follows:
1. Review the risk content and identification of specific key risks;
2. Analysing and prioritising selected risks;
3. Evaluation and treatment of risks;
4. Monitoring and reporting; and
5. Controlling, communication and knowledge-capturing.
GLG risk categories are:
1. Customer risks (including their financial conditions, solvency, credit worthiness etc);
2. Competitor risks;
3. Investment risks;
4. Operational risks;
5. Outsourced partner and contract manufacturing risks;
6. Legal, regulatory and compliance risks;
7. Resource risks (including HR, IT etc);
8. Finance risks (including liquidity, trade credit financing, forex etc);
9. Reputation risks; and
10. External factor risks.
11. The Management Risk Committee provides reports for the Board meetings. The Risk Management Policy is available on the Website.</td></tr>
</table>

ASX Recommendation		Status	Reference / Comment
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Complying	The Company has established a Risk Management Policy, a copy of which is available on the Website. The Board has delegated responsibilities to the Management Risk Committee who then provides reports to the Board. The Board is responsible for approving policies on risk assessment and management. The Audit Committee regularly reviews the risk management framework and policies of the Company.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Complying	The Company does not have an internal audit function. Management reviews the Company's business units, organisational structure and accounting controls and processes on a regular basis and reports to the Audit Committee and in turn to the Board; the Board is satisfied that the processes in place to identify the Company's material business risks are appropriate and that these risks are being effectively managed. GLG's risk management processes continue to be monitored and reported against. A copy of GLG's Risk Management Policy is available on the Website.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Complying	The Company does not have any material exposure to economic, environmental and social sustainability risks. The Directors believe that the Company has adequate systems in place for the identification and management of these material risks.

ASX Recommendation		Status	Reference / Comment
Principle 8 – Remunerate fairly and responsibly *A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.*			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Complying	The Board has a formal Nomination & Remuneration Committee comprising three members, two of whom are independent. The current members are Grant Hummel (Non-Executive Independent Director), Peter Tan (Non-Executive Independent Director) and Estina Ang (Executive Chair). The Chair of the Nomination & Remuneration Committee is Grant Hummel. The role of the Nomination & Remuneration Committee is to review and make recommendations to the Board on remuneration packages and practices applicable to the Chief Executive Officer, Senior Executives and Directors themselves. This role also includes responsibility for share option schemes, incentive performance packages and retirement and termination entitlements. Remuneration levels are competitively set to attract the most qualified and experienced Directors and Senior Executives. The Nomination & Remuneration Committee's may obtain independent advice on the appropriateness of remuneration packages. The Nomination & Remuneration Committee's functions and powers are formalised in a Charter and is posted on GLG's website. The number of times that the Nomination & Remuneration Committee met throughout the financial year and the individual attendance of the members at those meetings are disclosed in the Company's Annual Report and below under Directors' Meetings.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non- executive directors and the remuneration of executive directors and other senior executives.	Complying	Details of the Directors and Senior Executives remuneration are set out in the Remuneration Report in the Annual Report. The structure of Non-Executive Directors' remuneration is distinct from that of executives and is further detailed in the Remuneration section of the Annual Report.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Complying	Currently the Company does not have an equity based remuneration scheme.

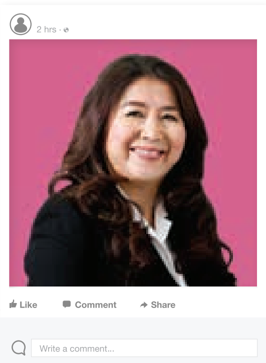
Director's Report

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

The Directors of GLG Corp Ltd ("GLG" or "the Company") submit herewith the annual financial report of the consolidated entity for the financial year ended 30 June 2022. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

INFORMATION ABOUT THE DIRECTORS AND SENIOR MANAGEMENT

The names and particulars of the Directors of the Company during and since the end of the financial year are:



ESTINA ANG SUAN HONG
Founder and Chairman

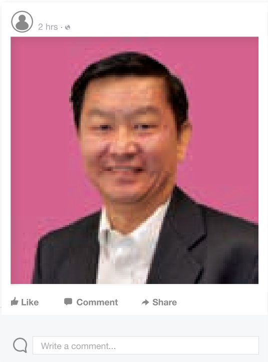
Founder and Executive Chair of GLG Corp Ltd and parent company, Ghim Li Group Pte Ltd and a member of its Nomination and Remuneration committee. Estina Ang Suan Hong is a lady armed with over 43 years of experience in the textile and apparel industry who leads a 9,000 strong workforce spanning the Southeast Asia region. She grew the business from 6 sewing machines as a sub-contractor to a global supplier of quality apparel to major retailers in the USA and throughout Europe.

Ms Estina Ang graduated from Nanyang University in 1974 with a Bachelor of Arts degree and is a member of the Singapore Institute of Directors, Textile and Fashion Singapore. She obtained The Entrepreneur of the Year Awards in 2001, listed in The 300 List in Singapore Tattler, named "The Emergent 25 Asia's Latest Star Businesswomen" by Forbes Asia in 2018 and recipient of the Nanyang Alumni Achievement Award recognised for her outstanding contribution to her field in 2021 and also spearheaded the business expansion into Malaysia, Indonesia, Cambodia, USA and Hong Kong.

FELICIA GAN PEILING, PBM
Chief Executive Officer

Ms Gan joined the Board on 15 September 2015 and is a member of the Audit Committee. She joined the Company in 2006 as a legal officer responsible for the legal compliance office. Ms Gan became the Deputy Chief Executive Officer on 20 February 2019 and became the Chief Executive Officer on 1 Jul 2021. She is currently responsible for the overall management of Accounts & Finance, Textile Mill and Factories' Operation, Business Development, Sales & Marketing including Outsourced Manufacturing and Product, Development and Design departments. Ms Gan builds, direct and drives the annual strategic sales and marketing plan and implements marketing strategies to identify and develop new customers and business opportunities on a global scale.

Ms Gan graduated with a Bachelor of Laws (Honours) from University of Nottingham in 2003 and was admitted to the Singapore Bar in May 2005. She is an executive council member of the Singapore Fashion Council (SFC) (previously known as Textile and Fashion Federation (Singapore)) and a director of the Textile and Fashion Industry Training Centre Pte Ltd (TaF.tc).



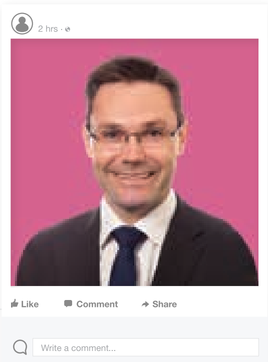
Peter Tan
Independent Director

Peter Tan was appointed as an independent director of the Board effective from 15 October 2019. He is currently the Chair of the Audit Committee and a member of the Nomination and Remuneration Committee.

Mr Tan has more than 30 years' experience in corporate accounting in Australia, Singapore and Indonesia.

Prior to joining the Group, he served as Group Chief Financial Officer or Financial Controller of various SGX-ST listed companies and unlisted corporations. He was an independent director of SGX-ST listed companies, Emerging Towns & Cities Singapore Ltd ("ETC") from 24 June 2015 to 26 April 2018 and independent Director of PCI Limited ("PCI") from 24 February 2017 to 1 June 2018. At ETC, he served as Chair of its Audit Committee and a member of its Nominating and Corporate Governance and Remuneration Committees and at PCI he was a member of the Audit, Remuneration and Nominating Committees.

He obtained his Bachelor of Commerce degree majoring in Accounting and Management from the University of Western Australia (Perth) in 1981. Mr Tan is a Fellow of CPA Australia, a member of the Australian Institute of Management, a Fellow of the Institute of Singapore Chartered Accountants and a member of the Singapore Institute of Directors.



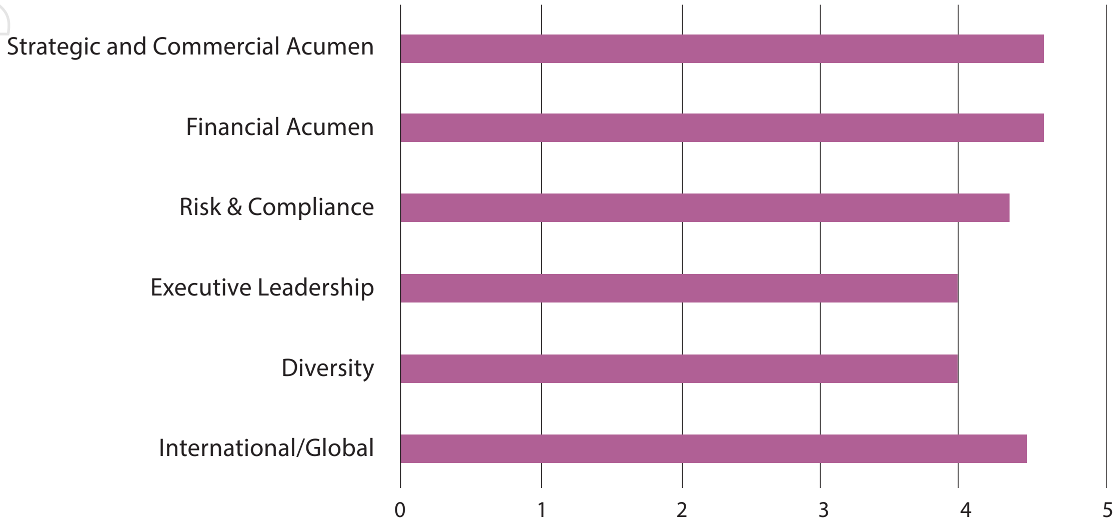
GRANT HUMMEL
Independent Director

Grant Hummel was appointed to the Board as an independent director on 1 December 2018. Mr. Hummel is a member of the Audit Committee and the Chair of the Nomination and Remuneration Committee of the Board.

Grant has been a partner of a major Australian law firm for over a decade. He has experience with commercial and corporate transactions, with particular expertise in capital raisings, securities law, merger and acquisitions and the ASX Listing Rules. Grant is no stranger to GLG Corp, as he has been involved with the company, being part of the IPO and ASX listing team in 2005.

Grant Hummel holds Bachelor of Science (Honours) and Bachelor of Law (Honours) degrees from the University of Tasmania, Australia. He also has a Graduate Diploma of Applied Finance and Investment from Finsia (now Kaplan).

BOARD SKILLS MATRIX



The results of the surveys are illustrated in the diagram above, with skill assessments out of an aggregated Board score of five.

FORMER PARTNERS OF THE AUDIT FIRM

No officer of the Company has been a partner in an audit firm, or a director of an audit company that is an auditor of the Company during the period or was such a partner or director at a time when the audit firm or the audit company undertook an audit of the Company.

DIRECTORS' SECURITY HOLDINGS

The following table sets out each director's relevant interest in shares or options in shares or debentures of the Company or a related body corporate as at 30 June 2022.

	Fully Paid Ordinary Shares			
Directors	As at 1 July 2021	Acquisitions FY22	Disposals FY22	As at 30 June 2022
Estina Ang Suan Hong	53,338,000	–	–	53,338,000
Felicia Gan Peiling	55,560,000	–	–	55,560,000
Peter Tan	–	–	–	–
Grant Hummel	–	–	–	–

The Directors do not hold any Options or Performance Rights.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Information about the remuneration of directors and senior management is set out in the remuneration report of this directors' report, on pages 46 to 52.

SHARE OPTIONS GRANTED TO DIRECTORS AND SENIOR MANAGEMENT

During and since the end of the financial year no share options (2021: nil) were granted to the directors as part of their remuneration.

COMPANY SECRETARY

Ms Rebecca Weir resigned as Company Secretary on 29 September 2021 and Ms Marika White and Mr Hasaka Martin were appointed. Ms Marika White then resigned on 26 November 2021 and Mr Geoffrey Stirton was appointed. Mr Hasaka Martin and Mr Geoffrey Stirton are employees of Emerson Operations Pty Ltd (the Company's Corporate Secretarial provider) and are the appointed Company Secretary for a number of Companies, including ASX listed, private unlisted, and smaller private start-up companies.

Geoffrey Stirton

Mr Stirton has over 30 years' experience working with listed and unlisted companies as well as not for profits in both governance and line management roles. He has primarily worked in financial services for a number of ASX 100 companies. He is a Chartered Accountant and Chartered Secretary and a Fellow of both the Australian Institute of Company Directors and the Governance Institute of Australia.

Hasaka Martin

Mr Martin has over 15 years' experience working with listed companies both internally and through corporate service providers and has worked across a number of industries. He is a Chartered Secretary and a Fellow of the Governance Institute of Australia. Mr Martin holds a Graduate Diploma in Applied Corporate Governance and postgraduate qualifications in corporate and securities law.

PRINCIPAL ACTIVITIES

The consolidated entity's principal activities in the course of the financial year were being a global supplier of knitwear, apparel, garments, accessories like fabric facial masks and supply chain management operations.

REVIEW OF OPERATIONS

The global outbreak of the COVID-19 pandemic has adversely affected the global supply chain and has hit the global textile and apparel industry hard as we continue to deal with global sporadic lockdowns. A few of our factories had compulsorily suspended work and shutdown periodically as and when mandated by local governments and at the same time had to deal with yarn, fabric and trims delays from our suppliers. Simultaneously, container shortages and slow port turnaround times have further disrupted the logistics supply chain causing considerable delays in shipments to our customers.

On the positive side, additional government stimulus packages have positively boosted retail sales demand from our customers increasing sales as a result, as well as work from home trends and growth of our athleisure casual active programs. Hence, this had a positive impact in this financial year. With the continuing strong demand from our customers, GLG has seen growth in our sales compared to last financial year and have acquired new customers. During the course of the year, we have been actively expanding capabilities and capacity through including more outsourced factories into our network to cope with capacity demand and risk management of factory lockdowns. Cost management continue to be our key focus as our freight costs and raw material costs like yarn continue to surge. These unforeseen increases in costs have impacted GLG bottom line for this financial year ended 30 June 2022.

Health and safety of our employees remain our priority as we continue to implement safe distancing, quarantine measures and testing protocols which aim to protect the health and safety of our employees. In addition, we have also implemented staggered working hours in the office to reduce possible congregation of employees at common spaces and to perform their work from home where possible. Our group has a high majority of vaccinated employees, and we continue to encourage our employees to be vaccinated so that our factories can continue to stay open. We will continue to monitor and assess these measures and protocols to ensure that we remain in line with global recommended practices and guidelines.

The discussion above forms part of this Directors Report.

REVIEW OF OPERATIONS (cont'd)

Comparison of Consolidated Statement of Profit or Loss and Comprehensive Income for the financial year ended 30 June 2022 with that of 30 June 2021.

GLG's sales increased by US$15.8m or 8.6% from US$183.8m in the previous year to US$199.6m in this financial year. This was mainly due to larger orders from existing and new garment customers due to pent up consumer demand, USA stimulus, sales growth in athleisure and sleepwear during the pandemic. In addition, there was an insurance compensation in previous year which is not a recurring transaction in this financial year.

The gross margin strengthened from 18.0% in the previous year to 20.7% in this financial year was due to improved product mix and growth of higher margin programs.

Selling and distribution costs increased by 103.0% from US$9.1m in the previous year to US$18.4m in this financial year. This was mainly due to duty and freight cost incurred on Land-Duty Paid customers' orders and global freight rates spiked over the period as a flow on impact from COVID affecting global supply chains.

Administrative expenses slightly decreased by 0.6% from US$11.7m in the previous year to US$11.6m in this financial year. The decrease in costs was achieved through streamlining of manpower.

Finance costs slightly decreased by 7.3% from US$1.8m in the previous year to US$1.7m in this financial year. The decrease was mainly due to lower interest rate and better cash management on invoice financing.

Other expenses decreased by 68.4% from US$9.7m in the previous year to US$3.1m this financial year. The decrease was due primarily to the write off of assets and receivable from an outsourced manufacturer of US$1.4m and US$6.0m, respectively in the prior year and these expenses were partially offset by a commitment fee of US$1.3m paid to outsourced manufacturers this financial year. In addition, there was an impairment of goodwill of US$840K in the prior year and US$1.0m this financial year due to the unexpected fluctuation of revenue and changes in the current economic condition affecting the relevant entity.

As a result of the above factors and also when taking into account the lower effective tax rate in the current year, this resulted in a net profit after tax for GLG of US$5.2m, which represented an increase of US$2.9m when compared to the financial year ended 30 June 2021 of US$2.3m.

Comparison of the Consolidated Statement of Financial Position as at 30 June 2022 with that of 30 June 2021.

Trade and other receivables increased by 22.7% from US$33.9m as at 30 June 2021 to US$41.7m as at 30 June 2022. The increase was primarily due to higher revenue generated in the last 2 months of the financial year as compared to the same period of the previous year.

Inventory increased by 10.2% from US$34.3m as at 30 June 2021 to US$37.8m as at 30 June 2022. This was mainly attributed to an increase in the inventory of raw materials in the factories arising from yarn price increase and the need to purchase yarn and fabric in advance to meet the deliveries of customers' orders amidst yarn price increases, port congestion and sporadic country lockdowns affecting supply chain.

The right-of-use assets decreased by 13.2% from US$12.7m as at 30 June 2021 to US$11.1m as at 30 June 2022 mainly due to the amortised value of leases recognised as non-current assets in the Group's statement of financial position as at 30 June 2022.

The intangible assets decreased by 32.3% from US$5.0m as at 30 June 2021 to US$3.4m as at 30 June 2022 mainly due to the goodwill impairment of US$1.0m as a result of projected decrease of revenue and changes in current economic condition affecting the relevant subsidiary.

Current and non-current borrowings decreased by 17.9% from US$54.3m as at 30 June 2021 to US$50m as at 30 June 2022 mainly due to the decrease in trust receipts and bank loans.

REVIEW OF OPERATIONS (cont'd)

Comparison of the Consolidated Statement of Cash Flows for the financial year ended 30 June 2022 with that of 30 June 2021.

The cash flow from operating activities decreased from net cash provided of US$20.1m in respect of the 30 June 2021 to a net cash flow used of $1.1m in respect of the 30 June 2022 financial year. This movement was mainly due to the settlement of outstanding balances to suppliers and advance purchases given to outsourced manufacturing suppliers to meet the higher revenue demands and advance purchases of raw materials for future production given pressures placed on global supply chains from COVID. In addition, the receipts from customers remained consistent to previous year despite of the increase in revenue due to the increase in trade receivable this financial year.

Net cash flows used in investing activities amounted to US$1.3m was mainly due to investment in new machineries in the fabric factory to increase the productivity and order requirements.

Net cash used in financial activities increased by US$4.1m from US$1.9m in previous year to US$6.0m this financial year. The increase was mainly attributed to the net repayments of trust receipts and bank loans amounted to US$4.3m and repayment of lease liability amounted to US$2.1m netted off by the proceeds from borrowings from a related party amounted to US$1.1m during the financial year.

As a result of the above, there was a net decrease of US$8.4m in cash and cash equivalents for financial year ended 30 June 2022, from a net cash surplus of US$22.3m as at 30 June 2021 to a net cash surplus of US$13.9m as at 30 June 2022.

We believe the cash flows from operations of GLG remains sufficient to meet our working capital requirements, capital expenditures, debt servicing and other funding obligations.

CHANGES IN STATE OF AFFAIRS

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

DIVIDENDS

Despite of a better performance in FY2022 compared to previous financial year, the Board has considered a lower dividend amount as the Group foresee tougher trading conditions in FY2023 and the need to preserve working capital requirement.

Dividends (Distributions)	As per security – US Cents	Unfranked amount per security - US Cents	Record date	Payment date
Interim ordinary unfranked dividend	–	–	–	–
Proposed Final ordinary unfranked Dividend	1.50	1.50	29 December 2022	16 January 2023
Total unfranked dividend	1.50	1.50		

DIVIDENDS (cont'd)

The financial effect of the final ordinary unfranked dividends has not been brought to account in the financial statements for the year ended 30 June 2022 and will be recognised in the subsequent financial period.

Dividend was declared and paid for financial year ended 30 June 2021 per table below.

Dividends (Distributions)	As per security – US Cents	Unfranked amount per security - US Cents	Record date	Payment date
Interim ordinary unfranked dividend	1.00	1.00	26 March 2021	15 April 2021
Proposed Final ordinary unfranked Dividend (Paid)	1.00	1.00	20 September 2021	18 October 2021
Total unfranked dividend	2.00	2.00		

SUBSEQUENT EVENTS

There has not been any matter or circumstance occurring after the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of the consolidated entity in the future financial year.

FUTURE DEVELOPMENTS

The consolidated entity is expanding fabric suppliers to include fashion novelty and also to increase the amount of work with outsourced factories. The performance depends on many economic and industry factors. In the opinion of the Directors, it is not possible or appropriate to make a prediction on the future course of markets, performance of the consolidated entities or the forecast of the likely result of the consolidated entities activities.

ENVIRONMENTAL REGULATION

The consolidated entity is not subject to any particular or significant environmental regulation.

SHARES UNDER OPTION OR ISSUED ON EXERCISE OF OPTIONS

There are no shares under option or issues on exercise of options during the year (2021: Nil).

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary, and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year four Board meetings, three Nomination and Remuneration Committee meetings and two Audit Committee meetings were held:

	Board of directors		Nomination & remuneration committee		Audit committee	
Directors	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Estina Ang Suan Hong	4	4	3	3	–	–
Grant Hummel	4	4	3	3	2	2
Felicia Gan Peiling	4	4	–	–	2	2
Peter Tan	4	4	3	3	2	2

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 31 of the financial report.

The Directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services disclosed in Note 31 to the full financial statements do not compromise the external auditors' independence, based on advice received from the Audit Committee, for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and

- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 53 of this report.

ROUNDING OFF OF AMOUNTS

The company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191 and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

REMUNERATION REPORT (AUDITED)

This Remuneration report, which forms part of the Directors' report, sets out information about the remuneration of GLG's directors and its senior management for the financial year ended 30 June 2022. The prescribed details for each person covered by this report are detailed below under the following headings:

- director and senior management details
- remuneration policy
- relationship between the remuneration policy and company performance
- remuneration of directors and senior management.
- key terms of employment contracts

DIRECTOR AND SENIOR MANAGEMENT DETAILS

The following persons acted as directors of the Company during or since the end of the financial year:

- Estina Ang Suan Hong as Executive Chair
- Grant Hummel as Independent Non-Executive Director
- Felicia Gan Peiling as Executive Director and Chief Executive Officer
- Peter Tan as Independent Non-Executive Director

The term 'senior management' is used in this remuneration report to refer to the following persons. Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year:

- Susan Yong as Chief Operations Officer
- Victoria Yong as Chief Financial Officer and Head of IT & Human Resources (resigned 9 Aug 2021)
- Lee Li San as Group Financial Controller
- Lee Kwak Keh appointed as Chief Marketing Officer

REMUNERATION POLICY

The remuneration for Key Management Personnel is determined as follows:

- For the Executive Chairman, Chief Executive Officer, by the Nominations and Remuneration Committee and by the Board and with a view to attract, retain and develop appropriately skilled people. Remuneration is reviewed on an annual basis having regard to personal and corporate performance and relevant comparative information.
- The remuneration of non-executive directors may not exceed in aggregate in any financial period the amount fixed by the Company at the general meeting. The amount has not changed since the Company listed in 2005.
- For executives, the Nomination and Remuneration Committee reviews remuneration policies and practices and makes recommendations to the Board regarding their approval. Remuneration is reviewed on an annual basis having regard to personal and corporate performance and relevant comparative information.

RELATIONSHIP BETWEEN THE REMUNERATION POLICY AND COMPANY PERFORMANCE

The tables below set out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to June 2022:

	30 June 2022 US$'000	30 June 2021 US$'000	30 June 2020 US$'000	30 June 2019 US$'000	30 June 2018 US$'000
Revenue from all sources	199,609	183,804	178,047	175,709	180,606
Net profit before tax	6,843	3,890	5,223	1,438	3,806
Net profit after tax	5,184	2,261	3,796	455	2,395
Share price at start of year	$0.27	$0.10	$0.09	$0.10	$0.19
Share price at end of year	$0.19	$0.27	$0.10	$0.09	$0.10
Total Dividend (unfranked)	$0.015	$0.02	–	–	–
Basic earnings per share	7.00 cps	3.05 cps	5.12 cps	0.61 cps	3.23 cps
Diluted earnings per share	7.00 cps	3.05 cps	5.12 cps	0.61 cps	3.23 cps

GLG Corp Ltd employees may be entitled to receive a discretionary bonus, as set and agreed by senior management and/or the Nomination and Remuneration Committee. These bonuses are accrued prior to year-end based on the expected bonuses to be paid, however the amounts may not be finalized or paid until a future date that is not necessarily within 12 months of the balance sheet date. As a result, there is a difference in timing of the accrual of the bonus and the timing of the payment of the bonus.

Each executive director of the Company has entered into an Executive Service Agreement with Ghim Li Global Pte Ltd, a major subsidiary of GLG. They are not remunerated separately for being a director or executive of the Company or other operating entities. Under their respective terms of engagement, all executives:

- commenced their terms as an executive of Ghim Li Global Pte Ltd for a 3-year term, and thereafter their engagement automatically continues from year to year, unless their Executive Service Agreement is terminated;
- are covenanted to not compete against GLG's operations for a period of 12 months after cessation of employment with GLG;
- agree that either party may terminate their Executive Service Agreement by giving 3 months written notice. In addition, Ghim Li Global Pte Ltd may without prior notice terminate their Service Agreements under certain conditions, for example, if the executive commits a serious breach of his or her obligations or is guilty of grave misconduct in the discharge of his or her duties or becomes bankrupt.

The service agreements contain otherwise standard terms, including with regard to each executive's duties, GLG owns any intellectual property created by its executives, confidentiality, entitlements to minor benefits in addition to their remuneration, and devoting substantially the whole of their time and attention during business hours to the discharge of their duties.

Each executive director receives a salary per month. They may also be entitled to an annual bonus determined by the Nomination and Remuneration Committee, in its absolute discretion.

Each of the key managers have entered into a service agreement with Ghim Li Global Pte Ltd, the general terms of which are not materially different to those of the executive directors described above.

Each key manager receives a salary per month, reviewed by the Chief Executive Officer annually with reference to the progress of GLG. Each may also be entitled to an annual bonus determined by the Chief Executive Officer, reviewed by the Nomination and Remuneration Committee, and approved by the Board taking into account overall management performance and the Company's profit for the year.

ELEMENTS OF KEY MANAGEMENT PERSONNEL REMUNERATION

Remuneration packages contain the following key elements:

(a) Short-term employment benefits – salaries/fees, bonuses; and

(b) Post-employment benefits

	Short term employment benefits				Post-employment benefits super - annuation	Other long term employee benefits	Share based payments, options & rights	Total
2022	Salary & fees US$	Salary supplement US$	Non-monetary US$	Other US$	US$	US$	US$	US$
Directors								
Estina Ang Suan Hong [1]	535,050	88,438	–	–	5,815	–	–	629,303
Peter Tan	42,222	–	–	–	–	–	–	42,222
Grant Hummel	34,216	–	–	–	–	–	–	34,216
Felicia Gan Peiling [1]	311,744	36,849	–	–	12,779	–	–	361,372
	923,232	**125,287**	**–**	**–**	**18,594**	**–**	**–**	**1,067,113**
Executives								
Lee Kwak Keh	106,568	16,951	–	–	5,468	–	–	128,987
Victoria Yong [2]	17,493	20,451	–	–	5,401	–	–	43,345
Susan Yong	143,712	22,109	–	–	7,252	–	–	173,073
Lee Li San	79,594	14,740	–	–	11,526	–	–	105,860
	347,367	**74,251**	**–**	**–**	**29,647**	**–**	**–**	**451,265**
Total	**1,270,599**	**199,538**	**–**	**–**	**48,241**	**–**	**–**	**1,518,378**

1. Estina Ang Suan Hong and Felicia Gan Peiling are both Directors and Executives of GLG Corp Ltd. Estina Ang Suan Hong acts as the Executive Chairman; Felicia Gan Peiling is the Chief Executive Officer.

2. Victoria Yong as Chief Financial Officer and Head of IT & Human Resources (resigned 9 Aug 2021)

ELEMENTS OF KEY MANAGEMENT PERSONNEL REMUNERATION (cont'd)

2021	Short term employment benefits: Salary & fees US$	Bonus US$	Non-monetary US$	Other US$	Post-employment benefits super-annuation US$	Other long term employee benefits US$	Share based payments, options & rights US$	Total US$
Directors								
Estina Ang Suan Hong [1]	538,656	96,453	–	–	5,676	–	–	640,785
Peter Tan [2]	36,723	–	–	–	–	–	–	36,723
Grant Hummel	30,848	–	–	–	–	–	–	30,848
Felicia Gan Peiling [1]	258,199	74,195	–	–	12,865	–	–	345,259
	864,426	**170,648**	**–**	**–**	**18,541**	**–**	**–**	**1,053,615**
Executives								
Lee Kwak Keh	117,213	18,549	–	–	5,809	–	–	141,571
Victoria Yong [3]	166,048	11,129	–	–	10,973	–	–	188,150
Susan Yong	168,719	25,968	–	–	6,811	–	–	201,498
	451,980	**55,646**	**–**	**–**	**23,593**	**–**	**–**	**531,219**
Total	**1,319,406**	**226,294**	**–**	**–**	**42,134**	**–**	**–**	**1,584,834**

1. Estina Ang Suan Hong and Felicia Gan Peiling are both Directors and Executives of GLG Corp Ltd. Estina Ang Suan Hong acts as the Chief Executive Officer; Felicia Gan Peiling is the Chief Executive Officer (1 Jul 2021).

2. Peter Tan appointed as Independent Director on 15 October 2019.

3. Victoria Yong as Chief Financial Officer and Head of IT & Human Resources (appointed 24 February 2020 and resigned 9 August 2021)

ELEMENTS OF KEY MANAGEMENT PERSONNEL REMUNERATION (cont'd)

The relative proportions of those elements of remuneration of key management personnel that are linked to performance:

	Fixed remuneration		Remuneration linked to performance	
Directors	**2022**	**2021**	**2022**	**2021**
Estina Ang Suan Hong	85.9%	84.9%	14.1%	15.1%
Peter Tan	100%	100%	–	–
Grant Hummel	100%	100%	–	–
Felicia Gan Peiling	89.8%	78.5%	10.2%	21.5%
Executives				
Lee Kwak Keh	86.9%	86.9%	13.1%	13.1%
Victoria Yong	52.8%	94.1%	47.2%	5.9%
Susan Yong	87.2%	87.1%	12.8%	12.9%
Lee Li San	86.1%	–	13.9%	–

Note: Fixed remuneration consists of base pay plus other fixed allowances paid to the individual on a regular basis, whilst Performance-linked remuneration refers to variable bonus paid to the individual, dependent on company financial results and individual's performance.

SALARY SUPPLEMENT / BONUSES PAYMENT AS COMPENSATION FOR THE CURRENT FINANCIAL YEAR

Madam Estina Ang Suan Hong was granted a salary supplement on 28 January 2022 of US$88,438 (2021: US$96,453) during the financial year ended 30 June 2022. This amount was paid on 28 January 2022 for her stewardship as Founder and Chair for the business, as the company did not pay any variable bonus to her.

Ms Felicia Gan Peiling was granted a salary supplement on 28 January 2022 of US$36,849 (2021: US$74,195) during the financial year ended 30 June 2022. This amount was paid on 28 January 2022 for her contribution as Chief Executive Officer including business development for the business, although the company did not pay any variable bonus to her.

Ms Victoria Yong was granted a salary supplement on 27 August 2021 of US$20,451 (2021: US$11,129) during the financial year ended 30 June 2022. The amount was paid on 28 January 2022 for her contribution as Chief Financial Officer & Head of HR and IT for the business, although the company did not pay any variable bonus to her.

Ms Susan Yong was granted a salary supplement on 28 January 2022 of US$22,109 (2021: US$25,968) during the financial year ended 30 June 2022. The amount was paid on 28 January 2022 for her contribution as Chief Operations Officer for the business although the company did not pay any variable bonus to her.

Mr Lee Kwak Keh was granted a salary supplement on 28 January 2022 of US$16,951 (2021: US$18,549) during the financial year ended 30 June 2022. The amount was paid on 28 January 2022 for his contribution as Chief Merchandising Officer for the business although the company did not pay any variable bonus to him.

Ms Lee Li San was granted a salary supplement on 28 January 2022 of US$14,740 during the financial year ended 30 June 2022. The amount was paid on 28 January 2022 for her contribution as Group Financial Controller, although the company did not pay any variable bonus to her.

LOANS TO KEY MANAGEMENT PERSONNEL

GLG has not provided any loan to key management personnel.

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL IN GLG

There have been no other transactions between GLG and key management personnel.

KEY MANAGEMENT PERSONNEL EQUITY HOLDINGS

Fully paid ordinary shares of GLG Corp Ltd

	Balance at 1 July No.	Granted as compensation No.	Net other change No.	Balance at resignation date No.	Balance at 30 June No.
2022					
Estina Ang Suan Hong (indirect holding through Ghim Li Group	53,338,000	–	–	–	53,338,000
Felicia Gan Peiling (including indirect holding through Ghim Li Group)	55,560,000	–	–	–	55,560,000
2021					
Estina Ang Suan Hong (indirect holding through Ghim Li Group	50,116,000	–	3,222,000	–	53,338,000
Felicia Gan Peiling (including indirect holding through Ghim Li Group)	52,338,000	–	3,222,000	–	55,560,000

KEY TERMS OF EMPLOYMENT CONTRACT

A summary of the key term of employment are set out below for the financial year ended 30 June 2022:

Position	Key term of service agreements
Chair	▪ Base salary: US$535,050 (SG$726,000) excluding superannuation. The contract for remuneration is in Singapore Dollars. ▪ Term: no fixed term ▪ Base remuneration: Reviewed annually by the Nomination and Remuneration Committee. ▪ Bonus entitlements: Determined annually by the Nomination and Remuneration Committee. ▪ Termination notice period: 6 months' notice or without notice in the event of serious misconduct. ▪ Termination payment: in lieu of notice ▪ Restraint and confidentiality provisions.

KEY TERMS OF EMPLOYMENT CONTRACT (cont'd)

Chief Executive Officer

- Base salary: US$311,744 (SG$423,000) excluding superannuation. The contract for remuneration is in Singapore Dollars.
- Term: no fixed term
- Base remuneration: Reviewed annually by the Nomination and Remuneration Committee.
- Bonus entitlements: Determined annually by the Nomination and Remuneration Committee.
- Termination notice period: 3 months' notice or without notice in the event of serious misconduct.
- Termination payment: in lieu of notice
- Restraint and confidentiality provisions.

Senior Management

- Base salary: refer to remuneration of directors and senior management for individual's salary
- Term: no fixed term
- Base remuneration: Reviewed annually by the Nomination and Remuneration Committee.
- Bonus entitlements: Determined annually by the Nomination and Remuneration Committee.
- Termination notice period: one month's notice or without notice in the event of serious misconduct.
- Termination payment: in lieu of notice
- Restraint and confidentiality provisions.

This concludes the Remuneration Report, which has been audited.

The Directors' report is signed in accordance with a resolution of the Directors made pursuant to s.298 (2) of the Corporations Act 2001.

On the behalf of the Director

Felicia Gan, PBM
CEO
Singapore, 23rd September 2022

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Level 11, 1 Margaret St
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY STEPHEN MAY TO THE DIRECTORS OF GLG CORP LTD

As lead auditor of GLG Corp Ltd for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of GLG Corp Ltd and the entities it controlled during the period.

Stephen May
Director

BDO Audit Pty Ltd

Sydney

23 September 2022

BDO

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Fax: +61 2 9240 9821
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Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of GLG Corp Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of GLG Corp Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not *provide* a separate opinion on these matters.

Key audit matter	*How the matter was addressed in our audit*
Valuation of GLIT receivables The valuation of the GLIT receivables, collectively the receivables from GLIT Holdings and receivables from outsourced manufacturing suppliers as disclosed in Note 11, is significant to our audit because as at 30 June 2022 the balance was $17,926,182 and it includes judgement in assumptions used in assessing the recoverability. The valuation process used by the Group to assess recoverability is judgemental and is based on assumptions, specifically those in relation to trust receipts and the overall working capital cycle of the Group.	To determine whether the receivable was recoverable at the reporting date, our audit procedures included, amongst others, the following procedures: • Assessed managements' evaluation of the recoverability of the receivable. • Analysed turnover of the receivable balance in order to ascertain whether the recoverability of the receivable would occur within a reasonable timeframe as part of the overall working capital cycle of the Group.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

BDO

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 46 to 52 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of GLG Corp Ltd, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

Stephen May
Director

Sydney, 23 September 2022

Directors' Declaration

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) in the Directors' opinion, the attached financial statements are in compliance with Australian Accounting Standards and International Financial Reporting Standards, as stated in Note 2 to the financial statements;

(c) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Australian Accounting Standards and giving a true and fair view of the financial position of the consolidated entity as at 30 June 2022 and of its performance for the financial year ended on that date; and

(e) the Directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5)(a) of the Corporations Act 2001.

On the behalf of the Director

Felicia Gan, PBM
CEO
Singapore, 23rd September 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

		Consolidated	
	Note	2022 US$'000	2021 US$'000
Revenue	5	199,609	183,804
Cost of sales		(158,322)	(150,712)
Gross profit		**41,287**	**33,092**
Other income	5	389	3,151
Distribution expenses		(18,437)	(9,083)
Administration expenses	6	(11,640)	(11,715)
Finance costs	7	(1,680)	(1,813)
Other expenses	8	(3,076)	(9,742)
Profit before income tax expense		**6,843**	**3,890**
Income tax expense	10(a)	(1,659)	(1,629)
Profit for the year		**5,184**	**2,261**
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation (deficit)/ surplus, on land and building, net of tax	26	(798)	267
Other comprehensive income, net of tax		**(798)**	**267**
Total comprehensive income for the year		**4,386**	**2,528**
Earnings per share:			
From continuing operations:			
Basic (Cents per share)	21	7.00	3.05
Diluted (Cents per share)	21	7.00	3.05

Notes to the Financial Statements are included on pages 62 to 102

Consolidated Statement of Financial Position

AS AT 30 JUNE 2022

	Note	Consolidated 2022 US$'000	Consolidated 2021 US$'000
Current assets			
Cash and cash equivalents	25(a)	13,893	22,280
Trade and other receivables	11	39,677	33,966
Inventory	13	37,825	34,338
Other assets	16	959	1,671
Total current assets		**92,354**	**92,255**
Non-current assets			
Other financial assets	12	8,871	8,871
Trade and other receivables	11	2,000	–
Intangible assets	15	3,361	4,963
Right-of-use assets	27	11,062	12,746
Property, plant and equipment	14	29,396	32,296
Total non-current assets		**54,690**	**58,876**
Total assets		**147,044**	**151,131**
Current liabilities			
Trade and other payables	17	22,642	24,070
Borrowings	18	46,520	49,621
Lease liability	27	2,128	1,981
Current tax liabilities	10(b)	481	635
Total current liabilities		**71,771**	**76,307**
Non-current liabilities			
Borrowings	18	3,465	4,646
Lease liability	27	10,001	11,683
Deferred tax liabilities	10(c)	2,756	3,089
Total non-current liabilities		**16,222**	**19,418**
Total liabilities		**87,993**	**95,725**
Net assets		**59,051**	**55,406**
Equity			
Issued capital	19	10,322	10,322
Revaluation reserves	26	2,947	3,745
Merger reserves	26	(14,812)	(14,812)
Retained earnings	20	60,594	56,151
Total equity		**59,051**	**55,406**

Notes to the Financial Statements are included on pages 62 to 102

Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Issued Capital US$'000	Asset Revaluation Reserve US$'000	Merger Reserve US$'000	Retained Earnings US$'000	Total US$'000
Consolidated					
Balance at 1 July 2020	10,322	3,478	(14,812)	54,631	53,619
Dividend declared	–	–	–	(741)	(741)
Profit for the year	–	–	–	2,261	2,261
Other comprehensive income for the year	–	267	–	–	267
Total comprehensive income for the year	**–**	**267**	**–**	**2,261**	**2,528**
Balance at 30 June 2021	**10,322**	**3,745**	**(14,812)**	**56,151**	**55,406**
Balance at 1 July 2021	**10,322**	**3,745**	**(14,812)**	**56,151**	**55,406**
Dividend declared	–	–	–	(741)	(741)
Profit for the year	–	–	–	5,184	5,184
Other comprehensive income for the year	–	(798)	–	–	(798)
Total comprehensive income for the year	**–**	**(798)**	**–**	**5,184**	**4,386**
Balance at 30 June 2022	**10,322**	**2,947**	**(14,812)**	**60,594**	**59,051**

Notes to the Financial Statements are included on pages 62 to 102

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	Consolidated 2022 US$'000	Consolidated 2021 US$'000
Cash flows from operating activities			
Receipts from customers		191,429	191,737
Receipts from insurance compensation		–	2,517
Payments to suppliers and employees		(190,040)	(167,195)
Net proceeds from/ (payments to) outsourced manufacturing suppliers		837	(3,395)
Interest income		12	20
Interest and other costs of finance paid		(740)	(885)
Interest paid on lease liabilities		(558)	(624)
Income tax paid		(1,998)	(2,106)
Net cash (used in)/ provided by operating activities	25(c)	**(1,058)**	**20,069**
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,325)	(3,492)
Disposal of property, plant and equipment		19	21
Net cash used in investing activities		**(1,306)**	**(3,471)**
Cash flows from financing activities			
(Repayment of)/ net proceeds from borrowings		(4,283)	8,889
Repayments of lease liability		(2,135)	(1,908)
Net proceeds from/ (repayments) to Ghim Li Group		1,129	(8,177)
Dividend paid		(734)	(736)
Net cash used in financing activities	25(d)	**(6,023)**	**(1,932)**
Net (decreased)/ increase in cash and cash equivalents		**(8,387)**	**14,666**
Cash and cash equivalents at the beginning of the financial year		22,280	7,614
Cash and cash equivalents at the end of the financial year	25(a)	**13,893**	**22,280**

Notes to the Financial Statements are included on pages 62 to 102

Notes to the Financial Report

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

1. GENERAL INFORMATION

GLG Corp Ltd (the Company) is a public company listed on the Australian Securities Exchange (ASX: GLE), incorporated in Australia and operating in Asia.

GLG Corp Ltd's registered office and principal place of business are as follows:

Registered office
'Australia Square' Suite 4201,
Level 42, 264-278 George Street,
Sydney, NSW, 2000
Australia

Principal place of business
21 Jalan Mesin,
Singapore 368819

The consolidated entity's principal activities in the course of the financial year were being a global supplier of knitwear, apparel, garments, accessories like fabric facial masks and supply chain management operations.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. The financial report comprises the consolidated financial statements of GLG for the purposes of preparing the consolidated financial statement, the company is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with the Australian Accounting Standards ensures that the financial statements and notes of GLG comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the Directors on 23rd September 2022.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in United States dollars, unless otherwise noted.

The consolidated entity satisfies the requirements of ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission in relation to rounding of amounts in the directors' report and the financial statements to the nearest thousand dollars. Amounts have been rounded off in the financial statements in accordance with that Legislative Instrument.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Fair value hierarchy

The following details the consolidated entity's assets and liabilities, measured or disclosed 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 the measurement date

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

Level 3: Unobservable inputs for the asset or liability

Assets and liabilities measured at fair value include:

- Freehold and leasehold land and buildings - Level 3 – refer to Note 14 for further details
- Contingent consideration - Level 3

There were no transfers between levels during the period.

Adoption of new and revised Accounting Standards

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

Standards and Interpretations adopted

Any new, revised, or amending accounting standards or interpretations that are not yet mandatory have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation

The consolidated financial statements include the information and results of each subsidiary from the date on which the GLG obtains control and until such time as the Group ceases to control such entity. Control is achieved when the company:

- has power over the investee;
- is exposed, or has the rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Total comprehensive income of subsidiaries is attributed to the owners of the Company.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

A list of subsidiaries appears in Note 24 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

(b) Foreign currency

The individual financial statements of each GLG entity are presented in its functional currency being the currency of the primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in United States dollars, which is the functional currency of GLG Corp Ltd and the presentation currency for the consolidated financial statements. All subsidiaries of GLG Corp Ltd have functional currency of United States dollars.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of each reporting period.

Exchange differences are recognised in profit or loss in the period in which they arise except that:

(i) exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings;

(ii) exchange differences on transactions entered into in order to hedge certain foreign currency risks, there are no hedging activities undertaken in the current year; and

(iii) exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

(c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

(i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

(ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', financial assets at 'amortised cost'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Cash and cash equivalents, trade receivables, other assets and other financial assets are measured at amortised cost using the effective interest method less impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Interest income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

The Group recognises an impairment gain or loss in profit or loss for the amount that the expected credit loss is updated to reflect these changes in credit risk. The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If GLG neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, GLG recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If GLG retains substantially all the risks and rewards of ownership of a transferred financial asset, GLG continues to recognise the financial assets and also recognises collateralised borrowings for the proceeds received.

(e) Impairment of tangible and intangible assets

At the end of each reporting period, GLG reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, GLG estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest GLG of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of short term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.

(g) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(h) Financial instruments issued by the Company

Trade and other payables and borrowings are initially measured at fair value, net of transaction costs.

Trade and other payables and borrowings are subsequently measured at amortised cost using the effective interest method.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of GLG's accounting policies, which are described in Note 2 and the respective notes in the financial report, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. One such other factor considered in management's estimates and associated assumptions for the current year includes the Covid-19 pandemic. Due to the degree of uncertainty of the pandemic, the limited recent exposure of the economic and financial impacts, management have found it necessary to incorporate this ongoing event into the key judgements and estimates made in the preparation of the financial statements in order to reflect the resulting increased estimation uncertainty. Actual results may differ from these estimates.

Impairment of receivables and impairment of goodwill are two key areas of estimates and judgements. Refer to Notes 11 and 15 for further details. The estimates and judgements involved in the revaluation of property plant and equipment and also in determining the lease terms and incremental borrowing rates are also key areas of estimates and judgements. Refer to Notes 14 and 27 for further details. In addition, estimates and judgement in provision for impairment of inventories is discussed in Note 13.

4. SEGMENT INFORMATION

Identification of reportable operating segments

The consolidated entity is organised into two operating segments: fabric and garments. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The directors' review EBIT (earnings before interest and tax). The accounting policies adopted for internal reporting to the directors are consistent with those adopted in the financial statements.

Revenues of US$34.4m (2021: US$54.5m), US$36.4m (2021: US$26.9m) and US$43.9m (2021: US$32.2m) derived from three single customers of the Group. Each of these separate revenues amount to more than 10% of the Company's revenues from external customers.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Fabric	the manufacture and wholesaling of fabric
Garments	the manufacturing and wholesaling of garments and fabric mask

Intersegment transactions

Intersegment transactions were made at market rates. The garment retailing operating segment purchases fabric from the fabric manufacturing operating segment. Intersegment transactions are eliminated on consolidation.

Operating segment information

Consolidated – 30 June 2022	**Fabric US$'000**	**Garment US$'000**	**Intersegment eliminations US$'000**	**Total US$'000**
Revenue				
Sales to external customers	311	199,298	–	199,609
Intersegment sales	66,510	–	(66,510)	–
Total revenue	66,821	199,298	(66,510)	199,609
Interest received	9	3	–	12
Depreciation	(2,262)	(947)	–	(3,209)
Amortisation	(199)	(2,908)	220	(2,887)
Impairment on goodwill	–	(1,000)	–	(1,000)
Unrealised profit	(136)	(605)	–	(741)
EBIT	**2,670**	**5,853**	**–**	**8,523**
Finance costs				(1,680)
Profit before income tax expense				**6,843**
Income tax expense				(1,659)
Profit after income tax expense				**5,184**

4. SEGMENT INFORMATION (cont'd)

Consolidated – 30 June 2022	Fabric US$'000	Garment US$'000	Corporates US$'000	Intersegment eliminations US$'000	Total US$'000
Assets	45,480	155,905	107,104	(161,445)	147,044
Liabilities	(22,929)	(99,765)	(17,672)	52,373	(87,993)

Consolidated – 30 June 2021	Fabric US$'000	Garment US$'000	Intersegment eliminations US$'000	Total US$'000
Revenue				
Sales to external customers	611	183,193	–	183,804
Intersegment sales	69,762	–	(69,762)	–
Total revenue	70,373	183,193	(69,762)	183,804
Interest received	1	19	–	20
Depreciation	(2,151)	(1,040)	–	(3,191)
Amortisation	(231)	(2,500)	–	(2,731)
Stock written back	–	2,662	–	2,662
Impairment on goodwill	–	(841)	–	(841)
Impairment loss on receivables	43	(7,173)	1,004	(6,126)
Loss on written off property, plant and equipment	–	(1,459)	–	(1,459)
EBIT	**1,883**	**3,820**	**–**	**5,703**
Finance costs				(1,813)
Profit before income tax expense				**3,890**
Income tax expense				(1,629)
Profit after income tax expense				**2,261**

Consolidated – 30 June 2021	Fabric US$'000	Garment US$'000	Corporates US$'000	Intersegment eliminations US$'000	Total US$'000
Assets	42,351	168,212	99,641	(159,073)	151,131
Liabilities	(21,037)	(107,618)	(17,074)	50,004	(95,725)

4. SEGMENT INFORMATION (cont'd)

Revenue attributable to external customers is disclosed below, based on the location of the external customer:

	Fabric	
	2022 US$'000	2021 US$'000
India	201	430
Korea	–	11
Malaysia	110	134
Singapore	–	36
	311	**611**

	Garment	
	2022 US$'000	2021 US$'000
Canada	35,026	29,129
Europe	1,897	1,022
Japan	144	55
Singapore	98	21,162
USA	160,897	131,051
Cambodia	476	96
Malaysia	583	81
Others	177	597
	199,298	**183,193**

5. REVENUE

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered to buyers' forwarders which is taken to be the point in time when the buyers have control of the goods and the cessation of all involvement in those goods.

Interest income

Interest income is recognised on a time proportionate basis that takes into account by applying the effective interest rate.

	Consolidated	
	2022 US$'000	**2021 US$'000**
Revenue from the sale of goods*	199,609	183,804
Other income		
Sample income	50	25
Interest income	12	20
Insurance compensation	–	2,517
Recovery of bad debts receivable	96	74
Government grant	57	321
Other	174	194
Total other income	**389**	**3,151**
	199,998	**186,955**

Disaggregation of revenue

Revenue is disaggregated by the country in which the customer is located as this depicts how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors. See further detail on revenue by location of external customer within Note 4.

* Revenue from the sale of goods were recognised at the point in time.

6. ADMINISTRATION EXPENSES

	Consolidated 2022 US$'000	Consolidated 2021 US$'000
Employee compensation	7,496	7,298
Leased rental and equipment expenses	153	36
Management fees	450	628
Insurance	265	215
Couriers	362	427
Other administration expenses	2,914	3,111
	11,640	**11,715**

7. FINANCE COSTS

	Consolidated 2022 US$'000	Consolidated 2021 US$'000
Interest on loans	193	389
Interest on lease	558	624
Interest on obligations under finance leases	4	6
Bank charges	250	169
Total interest and bank charges	1,005	1,188
Line of credit charges	675	625
	1,680	**1,813**

8. OTHER EXPENSES

	Consolidated 2022 US$'000	Consolidated 2021 US$'000
Commitment fee [(i)]	1,138	–
Legal and professional fee	244	16
Bad and doubtful debts	46	120
Bad debts from outsourced manufacturer	53	5,974
Impairment of goodwill	1,000	841
Property, plant and machineries written off	51	1,459
Others	544	1,332
	3,076	**9,742**

(i) The Group committed 80% of total available capacity with outsourced manufactures. If any shortfall in orders satisfaction, the outsourced manufacturers are entitled to claim a commitment fee from the Group.

9. PROFIT FOR THE YEAR BEFORE INCOME TAX EXPENSE

Profit for the year has been arrived at after (crediting)/charging the following gains and losses:

	Consolidated	
	2022 US$'000	2021 US$'000
Property, plant and machineries written off	51	1,459
Impairment of goodwill	1,000	841
Write back of inventory	–	(2,662)
Net foreign exchange (gain)/ loss	(181)	43
Depreciation of non-current assets	3,209	3,191
Amortisation of intangible assets	602	605
Amortisation of right-of-use assets	2,285	2,126
Lease rental expenses:		
Minimum lease payments	101	100
Employee benefit expense:		
Salaries, wages, and bonuses	24,707	26,011
Post-employment benefits:		
Defined contribution plans	651	646
Total employee benefit expenses	**25,358**	**26,657**

10. INCOME TAXES

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items. In principle, deferred tax liabilities are recognised for all taxable temporary differences. However, deferred tax liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches and interest in joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

There were no franking credits for 2022 and 2021.

10. INCOME TAXES (cont'd)

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the Consolidated Statement of profit or loss and other comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where the current or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(a) Income tax recognised in profit or loss

	Consolidated 2022 US$'000	Consolidated 2021 US$'000
Tax expense comprises:		
Current tax expense in respect of the current year	1,129	1,312
Deferred tax expense in respect of the current year	(183)	(105)
Under provision of deferred tax in prior financial year	100	366
Adjustments recognized in the current year in relation to prior years	613	56
Total tax expense	**1,659**	**1,629**

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	2022	2021
Profit from operations	6,843	3,890
Income tax expense calculated at 30%	2,053	1,167
Effect of expenses that are not deductible in determining taxable profit	1,613	1,834
Effect of tax allowance	(629)	(740)
Effect of tax losses not recognised	(76)	(105)
Effects of different tax rates of subsidiaries operating in other jurisdictions (a)	(1,408)	(668)
Utilisation of deferred tax assets not recognised previously	(612)	(394)
Under provision of deferred tax in previous financial year	100	366
	1,041	1,460
Other	5	113
	1,046	**1,573**
Adjustments recognised in the current year in relation to the tax provision in previous financial years	613	56
Income tax expense recognised in profit	**1,659**	**1,629**

(a) The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period. However, for the purposes of tax reconciliation, certain subsidiaries were operating in Singapore, Malaysia and Hong Kong, in which these entities are taxed at the respective local tax rates.

Unrecognised deferred tax assets in relation to tax losses at year end amounted to approximately US$1.0m (2021:US$1.2m) relates to a subsidiary in Cambodia expiring in 2025.

10. INCOME TAXES (cont'd)

(b) Current tax liabilities

	Consolidated 2022 US$'000	2021 US$'000
Current tax liabilities		
Income tax payable attributable to entities in the consolidated GLG	481	635
	481	**635**

(c) Deferred tax balances

Deferred tax liabilities arise from the following:

2022	Consolidated Opening balance US$'000	Charged to income US$'000	Charged to Equity US$'000	Acquisitions /disposals US$'000	Exchange differences US$'000	Changes in tax rate US$'000	Closing balance US$'000
Temporary differences							
Property, plant and equipment	3,089	(186)	(147)	–	–	–	2,756
	3,089	(186)	(147)	–	–	–	2,756
Unused tax loses and other credits:							
Nil	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
	3,089	**(186)**	**(147)**	**–**	**–**	**–**	**2,756**

Presented in the statement of financial position as follows:

Deferred tax liability	**2,756**

2021	Consolidated Opening balance US$'000	Charged to income US$'000	Charged to Equity US$'000	Acquisitions /disposals US$'000	Exchange differences US$'000	Changes in tax rate US$'000	Closing balance US$'000
Temporary differences							
Property, plant and equipment	2,747	257	85	–	–	–	3,089
	2,747	257	85	–	–	–	3,089
Unused tax loses and other credits:							
Nil	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
	2,747	**257**	**85**	**–**	**–**	**–**	**3,089**

Presented in the statement of financial position as follows:

Deferred tax liability	**3,089**

11. TRADE AND OTHER RECEIVABLES

	Consolidated 2022 US$'000	Consolidated 2021 US$'000
Current		
Trade receivables		
Trade customers	21,250	13,330
GLIT Holdings (i)	1,029	5,056
Outsourced manufacturing suppliers	15,352	14,163
Allowance for expected credit losses	–	–
Trade receivables	**37,631**	**32,549**
Other receivables		
Other receivables	1,954	1,415
Goods and services tax recoverable	547	457
Other receivables	**2,501**	**1,872**
Less:		
Payable to outsourced manufacturing suppliers	(455)	(455)
	39,677	**33,966**
Non-current		
GLIT Holdings (i)	2,000	–
	2,000	**–**
Total trade and other receivables	**41,677**	**33,966**

The average credit period on sales of goods and rendering of services is 75 days. No interest is charged on the trade receivables outstanding balance.

(i) Receivable from GLIT Holdings that are expected to be settled in the next 12 months by netting off from the logistic revenue charged by GLIT Holdings was classified as current, whilst the remaining balance that are expected to be settled in more than a year was classified as non-current.

Before accepting any new customers, GLG uses an external scoring system to assess the potential customer's credit quality and defines credit limits by customers. Limits and scoring attributed to customers are reviewed twice a year. 99.9% of the trade receivables that are neither past due nor impaired have the best credit scoring attributable under the external credit scoring system used by GLG.

11. TRADE AND OTHER RECEIVABLES (cont'd)

Included in GLG's trade receivable balance are debtors with a carrying amount of US$0.02m (2021: US$0.05m) which are past due at the reporting date. There has been no significant change in credit quality and all amounts are considered recoverable. GLG does not hold any collateral over these balances.

	Consolidated 2022 US$'000	Consolidated 2021 US$'000
Age of receivables past due, but not impaired		
30 – 60 days	–	36
60 – 90 days	–	2
90 – 120 days	–	–
More than 120 days	24	11
Total	24	49
Movement in the allowance for expected credit loss		
Balance at the beginning of the year	–	43
Charge to profit or loss	–	(43)
Allowance written off during the year	–	–
Balance at the end of the year	–	–

In determining the recoverability of trade receivables, GLG considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Credit risk was concentrated with a few significant counterparties.

Allowance for expected credit losses of receivables – estimates and judgements

GLG assesses impairment at the end of each reporting period by evaluating the conditions and events specific to GLG that may be indicative of impairment triggers.

GLIT Holdings Pte Ltd (GLIT) and its operating subsidiaries provide outsourced manufacturing services to GLG. GLG provides working capital and fabric to GLIT as part of the arrangement. When fabric is acquired by GLIT, GLG issues a letter of credit on their behalf. In order to maximise the discounts available, GLG converts the letter of credit it has issued into a Trust Receipt for GLIT. The Bank will immediately pay the fabric supplier. Once GLIT invoices GLG, a trade payable is recorded. GLG has a legal enforceable right to offset the amount owed by GLIT and settle the balance, if any, with GLIT on a net basis. The offset takes place between 90 days to 120 days depending on the date of maturity of the Trust Receipt.

GLIT Holdings Pte Ltd and its subsidiaries that provide subcontracted manufacturing operations were disposed of by the Ghim Li Group in 2005 as part of a management buy out. GLIT continue to operate as GLG's outsourced manufacturing partner.

The GLIT Receivables (collectively the receivables from GLIT Holdings and receivables from outsourced manufacturing suppliers) carrying value of US$17.9m is estimated to be recoverable on the basis that GLIT continues to operate as our outsourced manufacturing partner dedicated to serve the day-to-day needs of GLG. It is assumed that GLIT has sufficient resources, financial and otherwise to support the order fulfilment processes in the factories, with guidance and loadings from GLG. The valuation of GLIT receivable is evaluated to be recoverable based on the assumption on the accessibility of trust receipts available for offset and the amount of available collateral in place, the turnover of the balance as part of the overall working capital cycle of the group and, if necessary, payables or other assets made available to offset or guarantee the balance.

11. TRADE AND OTHER RECEIVABLES (cont'd)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In determining the ELC provision, forward looking macro-economic information and assumptions relating to the pandemic and other economic indicators have been considered. Both forward looking information and analysis based on the Group's historical loss experience have been used to determine the ECL provision.

12. OTHER FINANCIAL ASSETS

	Consolidated	
	2022 US$'000	**2021 US$'000**
Non-current		
Security deposit	7,000	7,000
Office rental deposit [(i)]	1,871	1,871
	8,871	**8,871**
Disclosed in the financial statements as:		
Total Non-current other financial assets	8,871	8,871

(i) US$1.9m of rental deposit paid for the 10 years lease rental ending 31 December 2022 from Ghim Li Group Pte Ltd (2021: US$1.9m) with option to renew for additional 5 years.

13. INVENTORY

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, valued on a first in first out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

	Consolidated	
	2022 US$'000	**2021 US$'000**
Raw materials	20,943	14,344
Work in progress	9,013	10,533
Goods in transit	4,057	5,687
Consumables	20	12
Stock lot	774	746
Finished goods	3,018	3,016
Total	**37,825**	**34,338**

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

14. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are carried in the Statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Assets are pledged as security – refer further to Note 18.

Land and buildings are initially recognized at cost. Freehold land is subsequently carried at the revalued amount less accumulated impairment losses. Buildings and leasehold land are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on property, plant and equipment, including freehold buildings. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The lease period is for 60 years, ending 2050. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. The following estimated useful lives are used in the calculation of depreciation:

Building on freehold land	50 years
Leasehold properties	Over term of lease
Plant and machinery	10 years
Furniture, fittings and office equipment	3-10 years
Motor vehicles	5-10 years

Assets and liabilities measured at fair value include:

- Freehold and leasehold land and buildings - Level 3

  Freehold and leasehold land and buildings of the Company were revalued on 30 June 2022 by One Asia Property Consultants (KL) Sdn. Bhd, an external, independent and registered valuer. The comparison method was adopted in arriving at the market value of the freehold and leasehold land and buildings. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique as compared with previous financial year and revaluations are done on an annual basis.

  Freehold and leasehold land and buildings at valuation are categorised as Level 3 fair value, which has been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input to this valuation approach is price per square foot of comparable properties.

Description	Valuation Approach	Unobservable inputs	Range of inputs	Weighted average	Relationship of unobservable inputs to fair value
Leasehold Property	Sales comparison	Price per square foot	RM25 to RM52 per square foot for land RM50 to RM100 per square foot for building RM = Malaysian Ringgit currency	RM27.70 per square foot for land RM75 per square foot for building	The higher the price per square foot the higher the fair value
Freehold property	Sales comparison	Price per square foot	RM46 to RM57.50 per square foot for land RM50 to RM95 per square foot for building RM = Malaysian Ringgit currency	RM50.50 per square foot for land RM73 per square foot for building	The higher the price per square foot, the higher the fair value

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Valuation of land and buildings – estimates and judgements

GLG has determined that the revaluation model is more appropriate for reflecting the value of their land and buildings.

	Consolidated 2022 US$'000	2022 US$'000
Land and Buildings		
Freehold:		
Land at independent valuation	2,725	2,849
Building at independent valuation	2,270	2,477
Total land and building	4,995	5,326
Carrying amount of all freehold land and building had it been carried under the cost model	3,509	3,577
Leasehold:		
Land at independent valuation	3,859	4,121
Building at independent valuation	5,222	5,575
Total land and building	9,081	9,696
Carrying amount of all leasehold land and building had it been carried under the cost model	3,765	3,900
Plant and Equipment		
Plant and equipment:		
At cost	31,241	32,952
Accumulated depreciation	(19,564)	(18,606)
	11,677	14,346
Plant and equipment with net carrying amount were acquired under finance leases:		
At cost	590	327
Accumulated depreciation	(481)	(166)
	109	161
Plant and equipment with net carrying amount were acquired under bank borrowings		
At cost	5,133	3,890
Accumulated depreciation	(1,599)	(1,123)
	3,534	2,767
Total plant and equipment	15,320	17,274
Total property, plant and equipment	**29,396**	**32,296**

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Consolidated							
	At Valuation			At Cost				
Cost	**Freehold land and buildings US$'000**	**Leasehold land and buildings US$'000**	**Sub-total US$'000**	**Plant and machinery US$'000**	**Renovation US$'000**	**Other assets US$'000**	**Motor vehicles US$'000**	**Total US$'000**
Balance as at 1 July 2020	**5,326**	**9,343**	**14,669**	**26,728**	**4,234**	**3,800**	**702**	**50,133**
Additions	–	–	–	3,290	113	63	26	3,492
Disposals	–	–	–	(1,778)	–	(1)	(8)	(1,787)
Revaluation surplus	–	352	352	–	–	–	–	352
Balance as at 30 June 2021	**5,326**	**9,695**	**15,021**	**28,240**	**4,347**	**3,862**	**720**	**52,190**
Additions	–	–	–	1,094	199	32	–	1,325
Disposals	–	–	–	(305)	–	(1,225)	–	(1,530)
Revaluation deficit	(331)	(614)	(945)	–	–	–	–	(945)
Balance as at 30 June 2022	**4,995**	**9,081**	**14,076**	**29,029**	**4,546**	**2,669**	**720**	**51,040**
Accumulated depreciation								
Balance as at 1 July 2020	**–**	**–**	**–**	**10,218**	**3,297**	**2,978**	**517**	**17,010**
Depreciation expense	–	–	–	2,568	325	226	72	3,191
Depreciation on disposals	–	–	–	(298)	–	(1)	(8)	(307)
Balance as at 30 June 2021	**–**	**–**	**–**	**12,488**	**3,622**	**3,203**	**581**	**19,894**
Depreciation expense	–	–	–	2,627	325	194	63	3,209
Depreciation on disposals	–	–	–	(234)	–	(1,225)	–	(1,459)
Balance as at 30 June 2022	**–**	**–**	**–**	**14,881**	**3,947**	**2,172**	**644**	**21,644**
Net book value								
As at 30 June 2021	**5,326**	**9,695**	**15,021**	**15,752**	**725**	**659**	**139**	**32,296**
As at 30 June 2022	**4,995**	**9,081**	**14,076**	**14,148**	**599**	**497**	**76**	**29,396**

Other assets comprise of computers, furniture and fittings, hostel and office equipment.

15. INTANGIBLE ASSETS

	Consolidated				
Cost	**Software US$'000**	**Goodwill US$'000**	**Trademark & customers network US$'000**	**Others US$'000**	**Total US$'000**
Balance as at 1 July 2020	**2,153**	**1,841**	**2,518**	**407**	**6,919**
Additions	–	–	–	–	–
Balance as at 30 June 2021	**2,153**	**1,841**	**2,518**	**407**	**6,919**
Balance as at 30 June 2022	**2,153**	**1,841**	**2,518**	**407**	**6,919**
Accumulated Depreciation					
Balance as at 1 July 2020	**122**	**–**	**252**	**136**	**510**
Amortisation	217	–	252	136	605
Impairment	–	841	–	–	841
Balance as at 30 June 2021	**339**	**841**	**504**	**272**	**1,956**
Amortisation	215	–	252	135	602
Impairment	–	1,000	–	–	1,000
Balance as at 30 June 2022	**554**	**1,841**	**756**	**407**	**3,558**
Net book value					
As at 30 June 2021	**1,814**	**1,000**	**2,104**	**135**	**4,963**
As at 30 June 2022	**1,599**	**–**	**1,762**	**–**	**3,361**

15. INTANGIBLE ASSETS (cont'd)

Software

Computer software is stated as intangible assets in the statement of financial position and amortised on the straight line method over 3 -10 years.

Goodwill – recognition and measurement

All business combinations are accounted for by applying the acquisition method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired and has an indefinite useful life. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is assessed as part of the Ghim Li Fashion (M) Sdn Bhd CGU. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment.

Trademark and customers network

Trademark and customers network are stated as intangible assets in the statement of financial position and amortised on the straight-line method over 10 years.

Goodwill – estimates and judgements

GLG assesses impairment at the end of each reporting period by evaluating the conditions and events specific to GLG that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions within the CGU. The value in use is based on the cash flow projections for a period of five years and into perpetuity. The cash flow projections are based on the 2023 budget that has been approved by the board with estimated decrease in sales of 17% for 2023, growth rate of 5% for 2024 to 2026 with a terminal growth rate of 2%. As part of the annual impairment test for goodwill, management assesses the reasonableness of growth rate assumptions by reviewing historical cash flow projections and future growth objectives. When taking into account the impairment recognised in the current year, management have incorporated the impact of the ongoing Covid-19 pandemic into the assumptions used in its forecast. Assumptions used in impairment testing reflect management's view and best estimate of the likely scenario based on current available information.

The pre-tax discount rate applied to these cash flow projections is 9.1%. The discount rate has been determined using the weighted average cost of capital which incorporates both the cost of debt and the cost of capital. The tax rate applied in the valuation model is based on the corporate tax rate in Malaysia of 24%.

During the year, the amount of US$1.0m was recognised as impairment loss in relation to goodwill based on the impairment analysis which factored in the unexpected fluctuation of revenue and changes in the current economic condition affecting the relevant entity.

Management believes that no reasonable possible change in any of the above key assumptions would cause the carrying value of the cash generating unit to materially exceed its recoverable amount.

16. OTHER ASSETS

	Consolidated 2022 US$'000	Consolidated 2021 US$'000
Current		
Prepayments	959	1,671

17. TRADE AND OTHER PAYABLES

	Consolidated 2022 US$'000	Consolidated 2021 US$'000
Trade payables (i)	11,458	13,983
Other payables	2,299	3,394
Ghim Li Group (ii)	3,380	2,251
Accruals – employee remuneration	1,810	2,042
Accruals – late shipment claim (iii)	2,766	1,582
Accruals – audit fee	134	87
Accruals – trust receipts interest	158	109
Accruals – others	637	622
	22,642	**24,070**

(i) The average credit period on purchases of certain goods is 4 months. No interest is charged on the outstanding balance of trade payables. GLG has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

(ii) The current payable due to Ghim Li Group Pte Ltd, ultimate parent entity from Ghim Li Global of US$3.4m (2021: US$2.3m).

(iii) Malaysia and Cambodia government took the necessary tight control due to Covid-19 pandemic and locked down the non-essential businesses. These restrictions had resulted in delayed shipments to buyers, also port congestion and lack of containers had badly affected the supply chain, there are potential claims from those buyers for those late deliveries and an accrual has been recognised to reflect this contractual obligations.

18. BORROWINGS

	Consolidated 2022 US$'000	2021 US$'000
Secured – at amortised cost		
Current		
Trust receipts (Gross) (i)	44,551	47,710
Finance lease liabilities (Note 23)	52	47
Bank loan	899	620
Term loan	1,018	1,244
Total	**46,520**	**49,621**
Non-current		
Finance lease liabilities (Note 23)	34	91
Bank loan	2,116	3,099
Term loan	1,315	1,456
	3,465	**4,646**
Disclosed in the financial statements as:		
Current borrowings	46,520	49,621
Non-current borrowings	3,465	4,646
Total borrowings	**49,985**	**54,267**

Summary of borrowing arrangements:

(i) Secured by a negative pledge over all assets of Ghim Li Global Pte Ltd and Maxim Textile Technology Sdn Bhd. Refer to Terms & Conditions of Borrowing Balance for details.

Banking relationship: GLG uses bank facilities to support the working capital requirements of its operations. Presently, the bank facilities provided to GLG are uncommitted short term trade financing facilities which are renewable annually by the banks and long term financing facilities.

Below are the details of available facilities from banks for the respective financial year end. GLG believe that it will continue to have the strong support from main bankers for its working capital and capital expenditure requirements. The facilities used are inclusive of the contingent liabilities as disclosed in Note 22.

18. BORROWINGS (cont'd)

30 June 2022	Used US$'000	Unused US$'000	Total US$'000
Short term	52,787	38,277	91,064
Long term	2,333	348	2,681
Foreign exchange	–	18,317	18,317
Total	**55,120**	**56,942**	**112,062**

30 June 2021	Used US$'000	Unused US$'000	Total US$'000
Short term	60,409	82,393	142,802
Long term	2,701	3,370	6,071
Foreign exchange	3,100	15,499	18,599
Total	**66,210**	**101,262**	**167,472**

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Terms & Conditions of Borrowing Balances:

1) Trust Receipts are denominated in USD bear weighted average effective interest rate of 2.5% (2021: 1.9%) per annum for a tenure of 4 months. Trust receipts are a discount form of supplier credit. In commercial terms, they are accounts payable.

2) Term Loan relates to purchase of property, plant and machinery of the Company's subsidiaries and are secured by a negative pledge of the assets of the Company. The loan repayment period varies from 8 to 10 years for property and 5 to 6 years for plant and machinery. The weighted average effective interest rate for such loans is 4.4% per annum (2021: 4.3% per annum).

3) Bills Payable are amounts received from banks for discounting sales invoices billed to customers, with weighted average effective interest rate of 4.5% (2021:1.3%) per annum.

The weighted average effective interest rates for bank overdrafts, bills payable and trust receipts at the balance date were as follows:

	2022	2021
Bank loans	2.0% p.a.	2.9% p.a.
Term loan	4.4% p.a.	4.3% p.a.
Bill payable	4.5% p.a.	1.3% p.a.
Trust Receipts	2.5% p.a.	1.9% p.a.
Finance lease liabilities	4.8% p.a.	5.1% p.a.

19. ISSUED CAPITAL

	Consolidated 2022 US$'000	Consolidated 2021 US$'000
74,100,000 (2021: 74,100,000) fully paid ordinary shares	**10,322**	**10,322**

Ordinary shares:

- Each ordinary share is entitled to one vote when a poll is called; otherwise each member present at a meeting or by proxy has one vote on a show of hands.
- Ordinary shares are classified as equity and entitle the holder to participate in dividends and the proceeds on the winding up of GLG in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and GLG does not have a limited amount of authorised capital.

	Consolidated			
	No. '000	2022 US$'000	No. '000	2021 US$'000
Fully paid ordinary shares				
Balance at beginning of financial year	74,100	10,322	74,100	10,322
Balance at end of financial year	**74,100**	**10,322**	**74,100**	**10,322**

20. RETAINED EARNINGS

	Consolidated 2022 US$'000	Consolidated 2021 US$'000
Balance at beginning of financial year	56,151	54,631
Dividend declared	(741)	(741)
Net profit attributable to members of the parent entity	5,184	2,261
Balance at end of financial year	**60,594**	**56,151**

21. EARNINGS PER SHARE

	Consolidated 2022 Cents per share	Consolidated 2021 Cents per share
Basic earnings per share:		
Total basic earnings per share	7.00	3.05
Diluted earnings per share:		
Total diluted earnings per share	7.00	3.05

21. EARNINGS PER SHARE (cont'd)

Basic earnings per share
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	Consolidated 2022 US$'000	Consolidated 2021 US$'000
Net profit	5,184	2,261
Earnings used in the calculation of basic EPS	**5,184**	**2,261**

	Consolidated 2022 No.'000	Consolidated 2021 No.'000
Weighted average number of ordinary shares for the purposes of basic earnings per share	74,100	74,100

Diluted earnings per share
The earnings used in the calculation of diluted earnings per share is as follows:

	Consolidated 2022 US$'000	Consolidated 2021 US$'000
Net profit	5,184	2,261
Earnings used in the calculation of diluted EPS	**5,184**	**2,261**

	Consolidated 2022 No.'000	Consolidated 2021 No.'000
Weighted average number of ordinary shares used in the calculation of basic EPS	74,100	74,100

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners, 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.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

22. CONTINGENT LIABILITIES

	Consolidated 2022 US$'000	Consolidated 2021 US$'000
Guarantees arising from Letters of Credit in force [(i)]	4,313	8,161
Total	**4,313**	**8,161**

(i) A number of contingent liabilities have arisen as a result of GLG's letter of credit issued by banks for purchase of goods.

23. FINANCE LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

GLG as lessee

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset.

Finance lease liabilities

Leasing arrangement

GLG leases motor vehicles and office equipment under finance leases expiring from one to five years. All the leases involve lease payments of a fixed base amount. No contingent rentals were paid during the year (2021: nil)

	Minimum future lease payments Consolidated		Present value of minimum future lease payments Consolidated	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
No later than 1 year	45	45	52	47
Later than 1 year and not later than 5 years	47	105	34	91
More than 5 years	–	–	–	–
Minimum future lease payments*	92	150	86	138
Less future finance charges	(6)	(12)	–	–
Present value of minimum lease payments	**86**	**138**	**86**	**138**
Included in the financial statements as (Note 18)				
Current borrowings			52	47
Non-current borrowings			34	91
			86	**138**

* Minimum future lease payments include the aggregate of all lease payments and any guaranteed residual.

24. SUBSIDIARIES

Name of subsidiary	Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
Ghim Li Global Pte Ltd	Singapore	100	100
Ghim Li Global International Ltd	Hong Kong	100	100
Escala Fashion Pte Ltd	Singapore	100	100
Ghim Li International (S) Pte Ltd	Singapore	100	100
G&G International Pte Ltd	Singapore	100	100
AES (USA) Inc	USA	100	100
Maxim Textile Technology Sdn Bhd	Malaysia	100	100
Maxim Textile Technology Pte Ltd	Singapore	100	100
Ghim Li Fashion (M) Sdn Bhd	Malaysia	100	100
GG Fashion (Cambodia) Co., Ltd	Cambodia	100	100

25. NOTES TO THE CASH FLOW STATEMENT

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of financial position.

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the Statement of financial position as follows:

	Consolidated 2022 US$'000	Consolidated 2021 US$'000
Cash and cash equivalents	13,893	22,280
	13,893	**22,280**

25. NOTES TO THE CASH FLOW STATEMENT (cont'd)

(b) Financing facilities

Secured bank loan facilities with various maturity dates and which may be extended by mutual agreement:

	Consolidated 2022 US$'000	Consolidated 2021 US$'000
• amount used	55,120	66,210
• amount unused	56,942	101,262
	112,062	**167,472**

(c) Reconciliation of profit for the year to net cash flows from operating activities

	Consolidated 2022 US$'000	Consolidated 2021 US$'000
Profit for the year	5,184	2,261
Depreciation of property, plant and equipment	3,209	3,191
Amortisation of intangible assets	602	605
Amortisation of right on use assets	2,285	2,126
Bad and doubtful debts	100	6,126
Unrealised profit	741	–
Write back of inventories	–	(2,662)
Impairment of goodwill	1,000	841
Property, plant and machineries written off	51	1,459
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
(Increase)/decrease in assets:		
Inventories	(4,228)	(5,325)
Trade and other receivables	(8,557)	8,402
Other assets	712	183
Outsource to manufacturing suppliers	837	(3,395)
Increase/(decrease) in liabilities:		
Trade and other payables	(2,654)	6,734
Current tax	(154)	(734)
Deferred tax	(186)	257
Net cash (used)/provided by operating activities	**(1,058)**	**20,069**

25. NOTES TO THE CASH FLOW STATEMENT (cont'd)

(d) Changes in liabilities arising from financing activities

	1 July 2021 US$'000	Cashflows US$'000	Non-cash items US$'000	30 June 2022 US$'000
Repayment of borrowings	54,267	(4,283)	–	49,984
Repayment of lease liability	13,664	(2,135)	600	12,129
Repayment of related entity borrowings	2,251	1,129	–	3,380
Dividend paid	5	(734)	741	12
Total	**70,187**	**(6,023)**	**1,341**	**65,505**

26. RESERVES

(a) Revaluation reserves

	Consolidated 2022 US$'000	2021 US$'000
Beginning of financial year	3,745	3,478
Deferred tax liabilities on revaluation	147	(85)
Revaluation (loss)/ gain arising from land and building	(945)	352
End of financial year	**2,947**	**3,745**

The revaluation reserve represents the increase in the fair value of the freehold and leasehold land and buildings, net of tax.

(b) Merger reserves

The merger reserve of US$14.8m is a result of the common control acquisition.

27. LEASES

	Consolidated 2022 US$'000	Consolidated 2021 US$'000
Cost		
Balance as at 1 July	**16,871**	**16,693**
Additions	834	178
Disposal	(612)	–
Balance as at 30 June	**17,093**	**16,871**
Amortisation		
Balance as at 1 July	4,125	1,999
Amortisation	2,285	2,126
Disposal	(379)	–
Balance as at 30 June	**6,031**	**4,125**
Net book value	**11,062**	**12,746**
Lease Liability		
Balance as at 1 July	**13,664**	**15,395**
Additions	817	173
Balance as at 30 June	**14,481**	**15,568**
Repayment		
Cash payments	(2,101)	(2,528)
Interest expense	558	624
Net payments	**1,543**	**1,904**
Disposal	(251)	–
Balance as at 30 June	**12,129**	**13,664**
Current lease liability	2,128	1,981
Non-current lease liability	10,001	11,683
Total lease liability	**12,129**	**13,664**

Lease	**Location**	**Term**	**Interest rate**
Head office	Singapore	10years + 5years option (01 Jan 2013 to 31 Dec 2027)	4.26%
Intrasource	Malaysia	3 years (01 Jan 2021 to 31 Dec 2022)	4.75%
Factory	Cambodia	5years + 5years option (01 Mar 2018 to 28 Feb 2028)	4.26%
Factory	Cambodia	5years + 5years option (01 Apr 2018 to 31 Mar 2028)	4.26%

27. LEASES (cont'd)

Accounting policies in relation to AASB 16

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

28. FINANCIAL INSTRUMENTS

(a) Capital risk management

GLG manages its capital to ensure that entities in GLG will be able to continue as a going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. GLG's overall strategy remains unchanged from 2021.

The capital structure of GLG consists of debt, which includes the borrowings disclosed in Note 18 and lease liabilities disclosed in Note 27, and equity attributable to equity holders of the parent, comprising issued capital and retained earnings as disclosed in Notes 19 and 20 respectively.

Operating cash flows are used to maintain and expand GLG's assets, as well as to make the routine outflows of tax and repayment of maturing debt. GLG's policy is to borrow centrally, using a variety of capital market issues and borrowing facilities, to meet anticipated funding requirements.

Gearing ratio

An integral function of GLG's Board is risk management. The Board reviews the capital structure on a semi-annual basis.

The gearing ratio at year end was as follows:

	Consolidated 2022 US$'000	Consolidated 2021 US$'000
Debt [i]	62,114	67,931
Cash and cash equivalents	(13,893)	(22,280)
Net Debt	**48,221**	**45,651**
Equity [ii]	59,051	55,406
Net debt to equity ratio	**82%**	**82%**

(i) Debt is defined as long-term and short-term borrowings, as detailed in Note 18, and lease liabilities as detailed in Note 27.

(ii) Equity includes all capital, retained earnings and reserves.

(b) Categories of financial instruments

	Consolidated 2022 US$'000	Consolidated 2021 US$'000
Financial assets		
Amortised cost	64,441	65,117
Financial liabilities		
Amortised cost	84,756	92,001

28. FINANCIAL INSTRUMENTS (cont'd)

(c) Financial risk management objectives

GLG has not executed any derivatives in the current year, hence the policy listed below are for background information purposes only. If and when such derivatives are used in the future, the objectives are to use them in accordance with a board approved policy. The policy requires GLG co-ordinates access to domestic and international financial markets, and manages the financial risks relating to the operations of the consolidated entity.

GLG does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the consolidated entity's policies approved by the board of directors, which provide written principles on the use of financial derivatives.

GLG's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. GLG minimises its financial risk of changes in foreign currency exchange rate through the natural hedge of matching its revenues and purchases in US dollars and matching of its assets and liabilities in US dollars.

(d) Foreign currency risk management

GLG undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise.

The carrying amount of GLG's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

	Liabilities		Assets	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Singapore dollars	4,945	930	997	645
Hong Kong dollars	–	5	92	3
Malaysia Ringgit	2,362	767	2,410	260
Australia Dollar	86	8	90	15
	7,393	**1,710**	**3,589**	**923**

28. FINANCIAL INSTRUMENTS (cont'd)

(e) Foreign currency sensitivity analysis

GLG is mainly exposed to movements in the value of Singapore dollars and Malaysia ringgits compared to the US dollar.

The following table details GLG's sensitivity to a 10% increase and decrease in the United States dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within GLG where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number indicates an increase in profit or loss where the United States dollars strengthens against the respective currency. For a weakening of the United States dollars against the respective currency there would be an equal and opposite impact on the profit, and the balances below would be negative.

	Singapore Dollars Impact		Malaysian Ringgit Impact		Other Foreign Currency Impact	
	Consolidated		Consolidated		Consolidated	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Profit or loss	(790)	(285)	6	(507)	13	4

(f) Interest rate risk management

GLG is exposed to interest rate risk as entities in GLG borrow funds at both fixed and floating interest rates. The risk is managed by GLG by maintaining an appropriate mix between fixed and floating rate borrowings. As no hedging activities undertaken in the current year and if such activities are to be considered in the future, they will be evaluated to align with interest rate views and define risk appetite; ensuring optimal hedging strategies are applied, by either positioning the Statement of financial position or protecting interest expense through different interest rate cycles.

GLG's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, GLG's:

Net profit would increase by US$0.09m and decrease by US$0.08m (2021: increase by US$0.3m and decrease by US$0.3m). This is mainly attributable to GLG's exposure to interest rates on its variable rate borrowings.

28. FINANCIAL INSTRUMENTS (cont'd)

(g) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to GLG. The Company deals with creditworthy counterparties by reviewing the exposure and credit-ratings of its counterparties to mitigate the risk of financial loss from defaults. Credit exposure is continuously monitored by the payment behaviours of counterparties in relation to the financial strength.

Trade accounts receivable consist of a number of retail customers located in the United States of America. Ongoing credit evaluation is performed on the financial condition of accounts and, where appropriate, trading within the credit limits or discounting of receivables on non-recourse basis with credit acceptance or insurance in place.

The consolidated entity does not have any significant credit risk exposure to any single counterparty or any GLG of counterparties having similar characteristics except to the GLIT receivable as disclosed in Note 11. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. There were no derivatives in the current year.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the consolidated entity's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The consolidated entity also faces risks of orders cancellation. This is related to fabric, accessories and manufacturing cost incurred on orders cancelled prior to shipment. The consolidated entity is now exploring credit insurance to cover this risk as well.

(h) Liquidity risk management

The consolidated entity manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in Note 25(b) is a listing of additional undrawn facilities that GLG has at its disposal to further reduce liquidity risk.

As business competition dictates, GLG has by choice given extended payment terms to certain core customers with high-volume impact during the current year. Although such practice increases the liquidity risk and cash flow requirement, it is also considered to be an essential element of market penetration and customer retention. The resulting cash flow impact is evaluated with the support of undrawn banking facilities that GLG has arranged to support such business growth.

28. FINANCIAL INSTRUMENTS (cont'd)

(h) Liquidity risk management (cont'd)

Liquidity and interest risk tables

The following table details that GLG's remaining contractual maturity for its non-derivative financial liabilities and expected maturity for its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which GLG can be required to receive/pay. The table includes both interest and principal cash flows.

Consolidated

	Weighted average effective interest rate %	Within 1 year US$'000	2-5 years US$'000	5+ years US$'000	Total US$'000
2022					
Financial Assets					
Non-interest bearing	–	55,570	7,000	1,871	64,441
Financial Liabilities					
Non-interest bearing	–	19,754	–	–	19,754
Trust receipts/ Bills payables	2.50	44,977	–	–	44,977
Loan from Ghim Li Group	2.71	2,889	–	–	2,889
Term loan	4.40	1,063	1,530	–	2,593
Bank loan	2.00	917	2,215	–	3,132
Finance lease liability	4.76	52	34	–	86
Lease liability	4.28	2,384	10,042	706	13,132
2021					
Financial Assets					
Non-interest bearing	–	56,246	7,000	1,871	65,117
Financial Liabilities					
Non-interest bearing	–	21,734	–	–	21,734
Trust receipts/ Bills payables	1.91	48,044	–	–	48,044
Loan from Ghim Li Group	1.84	2,292	–	–	2,292
Term loan	4.27	1,259	1,650	–	2,909
Bank loan	2.88	691	3,205	–	3,896
Finance lease liability	5.05	47	91	–	138
Lease liability	4.28	2,358	9,359	3,686	15,403

Each of the above interest bearing financial liabilities had variable interest rates.

28. FINANCIAL INSTRUMENTS (cont'd)

(i) Fair value of financial instruments

The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

The fair values of financial assets and financial liabilities are determined as follows:

the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

(j) Forward foreign exchange contracts

The following table details the forward foreign currency contracts outstanding at the end of the reporting period:

2021	Exchange rate	Foreign currency SGD'000	Notional Currency US$'000	Fair Value US$'000
UOB				
3 to 6months	1.3442	1,061	800	(11)
3 to 6months	1.3445	929	700	(9)
HSBC				
3 to 6months	1.3275	1,062	800	(11)
3 to 6months	1.3277	1,062	800	(10)

Fair value measurement is Level Two within the fair value hierarchy.

29. KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation made to directors and other members of the key management personnel of the Company and GLG is set out below:

	Consolidated	
	2022 US$	2021 US$
Short-term employee benefits	1,470,137	1,542,701
Post-employment benefits	48,241	42,135
	1,518,378	**1,584,836**

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits

These amounts are the current-year's estimated costs of providing for superannuation contributions made during the year and post-employment life insurance benefits.

29. KEY MANAGEMENT PERSONNEL COMPENSATION (cont'd)

The compensation of each member of the key management personnel of GLG is set out in the remuneration report:

(a) Key management personnel compensation policy

Details of key management personnel

The Directors of GLG Corp Ltd during the year were:

- Estina Ang Suan Hong as Founder and Executive Chair
- Peter Tan as Independent Director
- Grant Hummel as Independent Director
- Felicia Gan Peiling as Director and Chief Executive Officer

Other key management personnel of GLG Corp Ltd during the year were:

- Susan Yong as Chief Operations Officer
- Victoria Yong as Chief Financial Officer and Head of IT & Human Resources (resigned on 9 August 2021)
- Lee Li San as Group Financial Controller
- Lee Kwak Keh as Chief Marketing Officer

No director or senior management person appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

30. RELATED PARTY TRANSACTIONS

(a) Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in Note 24 to the financial statements.

(b) Transactions with key management personnel

(i) Key management personnel remuneration

Details of key management personnel remuneration are disclosed in Note 29 to the financial statements and the remuneration report.

30. RELATED PARTY TRANSACTIONS (cont'd)

(c) Transactions with other related parties

During the year, GLG entities entered into the following expenditure transactions with related parties that are not members of GLG:

	Transaction with Ghim Li Group Pte Ltd (majority shareholder)		Transaction with ESTA	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Rental	1,456	1,456	29	–
Utilities	75	43	–	–
Purchase	–	–	12	–
Total	**1,531**	**1,499**	**41**	**–**

No amounts were provided for doubtful debts relating to debts due from related parties at reporting date.

Amounts receivable from and payable to these related parties are disclosed in Note 17 to the financial statements.

(d) Majority shareholder

The majority shareholder of GLG Corp Ltd is Ghim Li Group Pte Ltd. Ghim Li Group Pte Ltd is incorporated in Singapore.

31. REMUNERATION OF AUDITORS

	Consolidated	
	2022 US$	2021 US$
Auditor of the parent entity – BDO		
Audit and review of the financial report	89,890	56,560
Tax services	4,518	2,861
	94,408	**59,421**
Related Practice of the parent entity auditor		
Audit or review of the subsidiaries	108,260	109,970
Tax services	22,104	14,866
	130,364	**122,087**

The auditor of *GLG Corp Ltd is BDO Audit Pty Ltd.*

The related practices are BDO Singapore, BDO HK and BDO Cambodia. PWC was appointed as auditor for Malaysia's subsidiaries (2022: Audit US$21,195 and Tax Service US$5,509; 2021: Audit US$25,764 and Tax Service US$2,060).

32. PARENT ENTITY DISCLOSURES

Financial position	Consolidated 2022 US$'000	Consolidated 2021 US$'000
Assets		
Current assets	189	74
Non-current assets	30,000	30,000
Total assets	**30,189**	**30,074**
Liabilities		
Current liabilities	86	940
Non-current liabilities	267	267
Total liabilities	**353**	**1,207**
Equity		
Issued capital	53,552	53,552
Dividend declared	(741)	(741)
Accumulated Losses	(22,975)	(23,944)
Total equity	**29,836**	**28,867**

Financial performance	Consolidated 2022 US$'000	Consolidated 2021 US$'000
Profit for the year	1,710	3,494
Other comprehensive income	–	–
Total comprehensive income	**1,710**	**3,494**

Contingent liabilities

As at 30 June 2022, the parent entity had no contingent liabilities (2021: nil).

Significant accounting policies

The accounting policies of the parent entity are consistent with those of GLG, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.

Contractual commitments

The parent did not have any contractual commitments at the end of the financial year

The above information is presented for the legal parent entity.

33. SUBSEQUENT EVENTS

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of the consolidated entity in future financial year.

Additional Australian Securities Exchange Information

AS AT 31 AUGUST 2022

Holding Distribution

Range	Securities	%	No of Holders	%
100,001 and Over	71,991,255	97.15	19	5.16
10,001 to 100,000	1,281,163	1.73	34	9.24
5,001 to 10,000	223,690	0.30	26	7.07
1,001 to 5,000	598,329	0.81	276	75.00
1 to 1,000	5,563	0.01	13	3.53
Total	**74,100,000**	**100.00**	**368**	**100.00**

Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called; otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Substantial Shareholders

The voting rights attached to each class of equity security are as follows:

	Fully paid ordinary shares	
Ordinary shareholders	**Number**	**Percentage**
Ghim Li Group Pte Ltd	55,560,000	74.98
	55,560,000	**74.98**

Unmarketable Parcels

Total Securities/Issued Capital	UMP Securities	UMP Holders	UMP Percent
74,100,000	13,996	20	0.02

At 31 August 2022, there were no restricted or unquoted equity securities to disclose and no on-market purchases of securities to report.

Twenty Largest Holders of Quoted Equity Securities

TOP 20 HOLDERS – 31 AUGUST 2022

Rank	Name	No. of shares	Percentage
1	Ghim Li Group Pte Ltd	53,338,000	71.98
2	Mr Yin Min Yong	3,504,751	4.73
3	Citicorp Nominees Pty Limited	3,020,118	4.08
4	Lisi Li	2,544,297	3.43
5	Ms Peiling Gan	2,222,000	3.00
6	Mr Yoke Min Pang	2,000,000	2.70
7	Mr Ah Yian Au	1,322,957	1.79
8	BNP Paribas Noms Pty Ltd <DRP>	1,123,600	1.52
9	Gowing Bros Limited	830,903	1.12
10	Dixson Trust Pty Limited	330,000	0.45
11	HSBC Custody Nominees (Australia) Limited	300,000	0.41
12	Mr Michael James Pauley	251,988	0.34
13	Markess Trustee Limited <The Markess A/C>	250,000	0.34
14	Kam Hing Piece Works Ltd	206,010	0.28
15	Ang Leong Aik	200,000	0.27
16	AJD Engineering Pty Ltd	166,666	0.23
17	Mr Marko Rankovic	153,964	0.21
18	Eu Mun Leong	116,000	0.16
19	Mr Christopher Chong & Mrs Heather Chong	110,001	0.15
20	Lim Chai Har	100,000	0.13
20	Seow Teng Peng	100,000	0.13
	Top 20	**72,191,255**	**97.45**
	Total	**74,100,000**	

Maxim
Fabric Mill Process
MAXIM TEXTILE TECHNOLOGY SDN BHD

Maxim is vertical mill supplier, strategically set up to offers a fully integrated fabric manufacturing facilities across the textile value chain such as Knitting, Dyeing, Finishing & Printing. Assuring customers of quality, consistency and dependable delivery schedules at internationally competitive price.

Cautionary Statement

Some statements contained in this annual report are not of historical facts but are statements of future expectation with respect to financial conditions, results of operations and business, and related plans and objectives. Such forward-looking statements are based on GLG Corp Ltd's current views and assumptions including but not limited to, prevailing economic and market conditions and currently available information. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or achievements to differ materially from those in the forward-looking statements. It should be noted that the actual performance or achievements of GLG Corp Ltd may vary significantly from such statements.

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