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GLG Corp Ltd

FY2022

Annual General Meeting

25 November 2022

ghim li

Group of Companies

Director's Review

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Financial Highlights FY2022

Financial Highlights

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

GROSS MARGIN
US$41,287,000

REVENUE
US$199,609.000

OUR SUPPLY CHAIN NETWORK
4 COUNTRIES
56 MILLION
PIECES SHIPPED

PROFIT BEFORE TAX
US$6,843,000

NET TANGIBLE ASSETS PER SHARE
US60.23 cents

TOTAL EQUITY
US$59,051,000

Full Year Performance FY2022 vs FY2021

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	Consolidated	
	2022 US$'000	2021 US$'000
Revenue	199,609	183,804
Cost of sales	(158,322)	(150,712)
Gross profit	**41,287**	**33,092**
Other income	389	3,151
Distribution expenses	(18,437)	(9,083)
Administration expenses	(11,640)	(11,715)
Finance costs	(1,680)	(1,813)
Other expenses	(3,076)	(9,742)
Profit before income tax expense	**6,843**	**3,890**
Income tax expense	(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	(798)	267
Other comprehensive income, net of tax	**(798)**	**267**
Total comprehensive income for the year	**4,386**	**2,528**

FY2022 Dividends

Distributions	Unfranked amount per security in US cents	Total amount US$	Payment date
Interim ordinary unfranked dividend	-	-	-
Final ordinary unfranked Dividend	1.50	1,111,500	16 January 2023
Total unfranked dividend	1.50	1,111,500	

% of net profit = 21.5% (US$1,112k/US$5,184k)

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Cost Below Gross Margin Analysis

Cost below Gross Margin Analysis FY2022 vs FY2021

Expenses US$'000	FY2022 US$'000	FY2021 US$'000	Variance FY22 VS FY21 %
Selling & Distribution Expenses	18,437	9,083	50.7%
Adminstrative Expenses	11,640	11,715	-0.6%
Other Operating Expenses	3,076	9,742	-216.7%
Finance Cost	1,680	1,813	-7.9%
Total	**34,833**	**32,353**	**7.1%**

Selling and Distribution cost 103% increase compared to last financial year, mainly due to

- LDP business increase from US$28m to US$57m

- despite with global supply chain disrupted, the cost of freight increase from the average of 6% to 15% of LDP's revenue.

The other operating expenses in FY2021 comprised

- one time written off debts US$6m

-PPE written off US$1.5m brought down from GLN

- impairment of goodwill $0.8m from GLM in FY2021. In FY2022, impairment on goodwill $1.0m and commitment fee US$1.1m.

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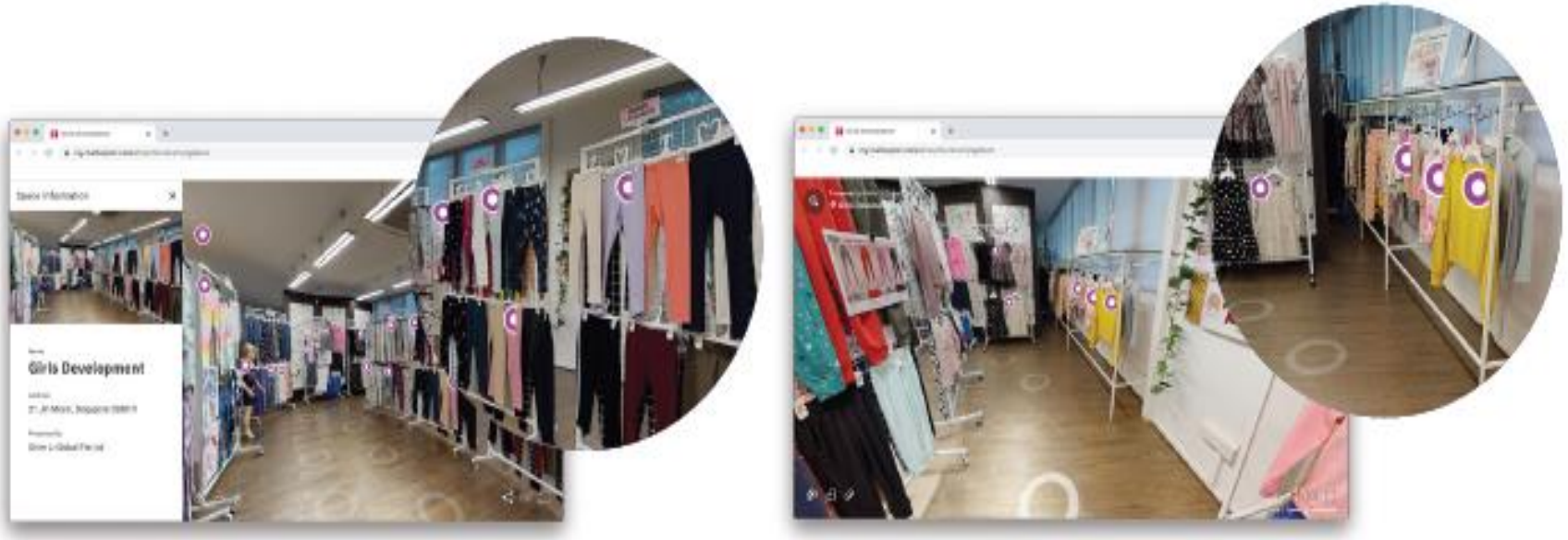
Operational Highlights of FY2022

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.

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Operational Highlights of FY2022

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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.

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Operational Highlights of FY2022

Customised Designs & Graphic Creation

Partnership in the Creative Process

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

Operational Highlights of FY2022

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

ORGANIC 100 content standard

WRAP 12 PRINCIPLES

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

International Labour Organization

SMETA

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Sustainable Fashion

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.

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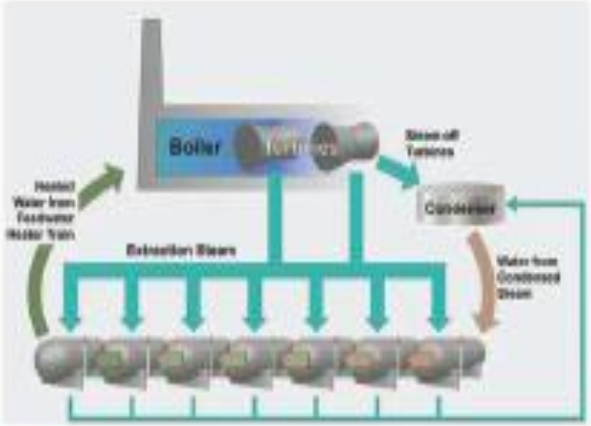
Sustainable Fashion

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**.

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Sustainable Fashion

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 · GOTS · REGENTE™