

GLG CORP LTD

FY2023

**Annual General
Meeting**

23 November 2023



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Group of Companies

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***Director's
Review***

Financial highlight

FINANCIAL HIGHLIGHTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023



Operational highlights of FY300623

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GLOBAL ECONOMY

putting in place an aggressive monetary response to inflationary risk, while others remain in relatively good shape.

Navigating Turbulence

The challenging economic environment has had asymmetric impacts across fashion business models. However, in general, businesses with the highest exposures to disposable income are facing the biggest challenges.

Among premium brands, the picture is mixed. Value-conscious consumers are trading down into value, off-price and private label brands, while higher-income consumers are less likely to switch. As highlighted in recent US earnings calls, the environment is particularly tough for companies that have overbought **inventory** and are contending with supply chain issues. This has led in some cases to declines in gross margins and a wave of discounting.

As consumers trade down, the value

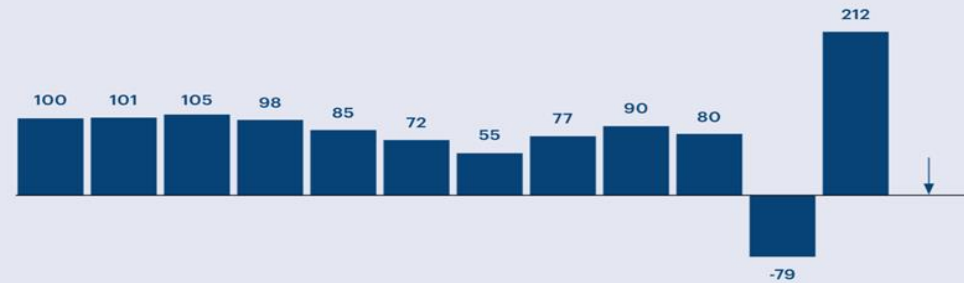
Exhibit 19:

The industry's economic profit swings dramatically from negative to positive

Total economic profit (EP), index (2010=100)

YoY economic profit change, %

+1 +4 -7 -13 -15 -24 +41 +17 -12 -199 +368



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
EBITA margin, %	11.5	11.5	11.4	11.2	11.0	10.7	10.3	10.4	10.7	10.3	6.3	12.3
N	316	336	345	354	357	361	368	373	382	381	364	349

The State of Fashion 2023

Source: McKinsey Global Fashion Index (MGFI)

Holiday sales fall short of expectations, set stage for tougher 2023 for retailers

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KEY POINTS

- Holiday sales came in below industry expectations, as shoppers felt pinched by inflation and rising interest rates.
- Sales during November and December grew 5.3% year over year to \$936.3 billion, below the NRF's prediction.
- The gains include the impact of inflation, too, which drives up total sales.

WSJ

ECONOMY | U.S. ECONOMY

U.S. Retail Sales Fell 1.1% in December

Sales see biggest monthly decline of 2022 as consumers cut back at height of holiday season

Operational highlights of FY300623

Operational
highlights of
FY300623

The holiday sales gains include the impact of inflation, which drives up total sales. The consumer price index, which measures the cost of a broad mix of goods and services, [was up 6.5% in December compared with a year ago](#), according to the Labor Department.

For retailers, the shopping season's results [reflect the challenges ahead](#). As Americans continue to pay [higher prices for groceries, housing and more month after month](#), they are racking up credit card balances, [spending down savings and having fewer dollars for discretionary spending](#).

Plus, retailers are following years of extraordinary spending. During [the Covid pandemic](#), Americans fought boredom and used stimulus checks by buying loungewear, throw pillows, kitchen supplies, home theater systems and more.

That translated to sharp year-over-year jumps in retail sales in the past two holiday seasons — a 13.5% gain in 2021 and 9.3% gain in 2020. (They were [14.1%](#) and [8.3% gains](#), respectively, in the preliminary Census Bureau numbers.)

On average, holidays sales have grown by 4.9% annually over the past decade, according to NRF.

NRF Chief Executive Matt Shay said those [upward leaps were unsustainable](#), especially as [people return to commuting, going out to dinner and booking vacations again](#). Plus, he said, Americans are paying higher prices across the board, from pricier rents to more expensive groceries.

[“It just signals that consumers continue to be cost-conscious,”](#) Shay told CNBC. “They’re feeling it. They’re aware of the pressures of managing their daily, weekly, monthly expenses.”

Digital Transformation / Sustainability:

- Digitalisation
 - For speed and agility in enhancing 3D design and virtual showrooms.
 - Factory dashboard for our factories for management to make better decisions and faster access to data / report.
- Sustainability
 - recycled cotton/polyesters /regenerative cotton/ pineapple leaf and
 - botanical dyes to drive new business and product development
 - Xinterra Collaboration

Operational
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Benefit of Virtual Garments



Reduce Waste

- > 3D process addresses the sustainability issue by drastically reducing waste, associated with many rounds of sample making included fabric, trim and accessories.

Lower Sample Cost

- > 3D technology reduce sample making costs by 15%. This will significantly reduce CO2 emissions since there will be less courier transportation. Brands can create and share photorealistic garment visuals without making a physical sample.

Speed Up Production

- > Increase overall production speed. Designer can perform many virtual iterations of a garment in a shorter time from 10 to 3 days.

Ensures Better Fit

- > Test the fit of garments before sending them to production. With stress map, you can identify the problem areas and quickly make adjustments.

Pre-Sell Your Clothing Before It Is Produce

- > Pre-sell your clothing before it is produced. Create an entire collection with the help of 3D technology and showcase on your website. Create a variety of sizes to show your customers how they will fit in them.

Conduct Virtual Fashion Shows

- > Using 3D clothing models to stimulate any environment that fits the theme of the collection or apparel.

New Product Innovations

Maxim x **NEXTEVO**™

Pineapple Leaf

Our mill partnered with Nextevo to develop this pineapple leaf fabric.



Pineapple Leaf Fabric showcased at ITMA exhibition has helped drive traffic into our booth.

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New Product Innovations



Xinterra

Xinterra & Maxim are collaborating on a pilot project to develop textile with carbon capture.



Xinterra visit to Maxim



Xinterra booth at Singapore Fashion



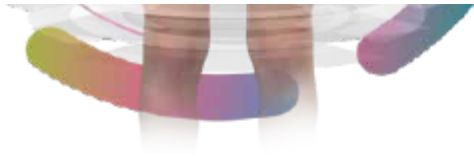
AI Technology

Apparel organizations are starting to reinvent their product design and development process by integrating Artificial Intelligence (AI).

This AI technology enables apparel organizations to predict fashion trends in real time to react and adapt to customer demand.



Operational highlights of FY300623



TRANSFORMATION IN SUSTAINABLE FASHION



Energy Reductions

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

2,175Mt Reduction of Greenhouse Gases (2018 – 2022)



Solid Waste Recycling & Reductions

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

24,001.3Mt Reduction of Greenhouse Gases (2018-2022)



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

All packaging with **100% recycled material**

29.9Mt Reduction of Greenhouse Gases (2018-2022)