

GLG Corp Ltd

ACN 116 632 958

**Results for Announcement to the Market
Appendix 4D – Half Year Report
Given to ASX under Listing Rule 4.2A**

Current Reporting Period - Half Year Ended 31st December
2023

Previous Reporting Period - Half Year Ended 31st December
2022

1. Highlight of Results
2. Appendix 4D Financial Statements for the Half Year ended
31 December 2023

1. Results for announcement to market

Summary financial information for the company for the six months ended 31st December 2023.
Full financial details are attached to this announcement.

		Consolidated		
Summary Information	31 –DEC-23 USD\$'000	31 –DEC-22 USD\$'000	Inc/(Dec) USD\$'000	Inc/(Dec) %
Revenue from Ordinary Activities	67,013	69,493	(2,480)	(3.6)
Loss after Tax from Ordinary Activities	(2,059)	(138)	(1,921)	(1,392.0)
Net Loss after Tax Attributable to Members	(2,059)	(138)	(1,921)	(1,392.0)
Basic Earnings – US Cents Per Share	(2.78)	(0.19)	(2.59)	(1,363.2)
Diluted Earnings – US Cents Per Share	(2.78)	(0.19)	(2.59)	(1,363.2)
Net Tangible Assets – US Cents Per Share	64.68	63.66	1.02	1.6

Dividends

In respect of the financial period ended 31st December 2023, the Directors do not recommend the payment of an interim dividend. In respect of the financial period ended 31st December 2022, no dividend was declared.

Summary commentary on results

Directors Comments:

GLG's revenue decreased by 3.6% from US\$69.5m to US\$67.0m during the financial period ended 31 December 2023 ("1H FY2024"). This was mainly attributable the loss of a major customer as noted in the second half of 30 June 2023, albeit partially offset by an increase in sales orders from some existing customers in the current period and also to the reduction of sales orders as customers had high inventory levels who were affected by unforeseen logistics delays and price challenges. As a result of the delays in deliveries, the core programs of our key customers dropped significantly as those garments could not be sold during the right season. The decrease was also attributable to fierce market competition which resulted in price reductions and also impacted the ability to retain customers.

The gross profit margin decreased from 21.5% to 13.7% in 1H FY2024 due to the price competition and lack of orders to meet the optimal level of production capacity.

Other income decreased by US\$0.9m from US\$1.1m to US\$0.2m in 1H FY2024 as compared to the previous corresponding financial period due to one-off gain on modification of lease terms of US\$1.0m as a result of renegotiated terms of lease from 5 years to 2 years from major shareholder, Ghim Li Group Pte Ltd in the financial period ended 31 December 2022 ("1H FY2023").

Selling and distribution costs decreased by 32.8% from US\$5.4m to US\$3.6m as compared to the previous corresponding financial period mainly due to decrease in sales, decrease of global freight rates and stabilisation of global supply chains over the period.

Finance costs increased by 7.5% from US\$1.1m to US\$1.2m in 1H FY2024 as compared to the previous corresponding financial period mainly due to the higher interest rates on loans given the current market conditions.

Administrative costs remain consistent from prior period from US\$5.3m to US\$5.4m in 1H FY2024 as compared to the previous corresponding financial period.

Other expenses decreased by US\$2.9m from US\$3.9m to US\$1m in the 1H FY2024 as compared to the previous corresponding financial period. The decrease was mainly due to write off of deposits with an outsourced manufacturer of US\$2.0m in relation to the decrease in revenue and thereby reduction of allocated production to the third-party manufacturer resulting in the closure of the third-party manufacturer and US\$1.1m impairment of a claim made against the previous owner of the Group's Cambodian subsidiary's assets and the buyer of raw materials for their outstanding tax obligations as a result of a tax audit for the period from 2017 to 2019. The decrease was offset by the increase in write off of surplus and obsolete fixed assets of US\$0.5m in the 1H FY2024.

GLG's net loss after tax for the half year period 31 December 2023 amounted to US\$2.1m, compared with a loss of US\$0.1m in the corresponding financial period. The increase in net loss after tax was mainly due to lower revenue generated with lower margin in these macro-economic conditions and low utilisation of the production capacities.

Directors Comments: (cont'd)

The group expects the trading conditions experienced in 1HFY2024 to persist into 2HFY2024 and therefore expects a financial loss for financial year ended 30 June 2024 that is higher than the previous financial year ended 30 June 2023, due to the geopolitical uncertainties in the middle-east, on-going conflict in Ukraine, price competition with lower margin, high interest rates and freight rate increase due to the Red Sea crisis.

Balance Sheet position

Inventory decreased by 22.4% from US\$25.5m as at 30 June 2023 to US\$19.8m as at 31 December 2023. This was mainly due to decline in customers' orders which resulted in a reduction of purchases of raw materials and work-in-progress in the factories.

Property, plant and equipment decreased by 5.3% from US\$26.5m as at 30 June 2023 to US\$25.1m as at 31 December 2023 mainly due to the depreciation and one-off write off of surplus and obsolete fixed assets of US\$0.5m in 1HFY2024.

The right-of-use assets decreased by 27.2% from US\$3.7m as at 30 June 2023 to US\$2.7m as at 31 December 2023 mainly due to the amortisation of right-of-use assets.

The intangible assets decreased by 8% from US\$2.9m as at 30 June 2023 to US\$2.7m as at 31 December 2023 mainly due to the amortisation of intangible assets.

Trade and other payables decreased by 36.9% from US\$16.1m as at 30 June 2023 to US\$10.2m as at 31 December 2023, primarily resulting from decrease in advanced purchases of raw materials such as yarn and fabric and settlement of payables. In addition, there was a payment of intercompany balance to Ghim Li Group, parent entity that amounted to US\$2.3m during the period.

Cash Flow

In 1HFY2024, net cash flow from operating activities amounted to US\$2.9m as compared to previous corresponding financial period of US\$22.6m, mainly due to prompt settlement of payables and lower receipt from customers as a result of lower revenue generated in this financial period.

Net cash flows used in investing activities amounted to US\$0.7m as compared to previous corresponding financial period of cash flow from investing activities of US\$0.9m. The movement was mainly due to investment in new machineries in fabric factory to increase the productivity and new order requirements, whilst the cash flow in prior period included a one-off refund of rental deposits as a result of modification of lease terms.

Net cash used in financing activities amounted to US\$4m as compared to previous corresponding financial period of US\$25.3m. This decrease was mainly due to lesser payment in borrowings as a result of lower purchases of inventory and lesser advance purchases of yarn, netted by the increase of repayment to Ghim Li Group by US\$1.3m.

Directors Comments: (cont'd)

Cash Flow (cont'd)

As a result of the above, there was a net decrease of US\$1.8m in cash and cash equivalents from 1H FY2024, from a net cash surplus of US\$19.2m as at 31 December 2022 to a net cash surplus of US\$17.4m as at 31 December 2023.

We believe the balance cash position and forecast cash flow from continuing operations of GLG remains adequate to meet our working capital, capital expenditures, debt servicing and other funding requirements.

GLG Corp Ltd

ACN 116 632 958

Financial report for the half-year ended 31 December 2023

Financial report for the half-year ended 31 December 2023

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Directors' report

The Directors of GLG Corp Ltd ("the Company") submit herewith the financial report of GLG Corp Ltd and its subsidiaries ("GLG" or "the group") for the half-year ended 31 December 2023. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

The names of the directors of the Company during or since the end of the half-year are:

Estina Ang Suan Hong	Founder and Executive Chairman
Peter Tan	Non-executive Independent Director
Grant Hummel	Non-executive Independent Director
Por Khay Ti	Non-executive Independent Director
Felicia Gan Peiling	Chief Executive Officer

Review of operations

GLG's revenue decreased by 3.6% from US\$69.5m to US\$67.0m during the financial period ended 31 December 2023 ("1H FY2024"). This was mainly attributable the loss of a major customer as noted in the second half of 30 June 2023, albeit partially offset by an increase in sales orders from some existing customers in the current period and also to the reduction of sales orders as customers had high inventory levels who were affected by unforeseen logistics delays and price challenges. As a result of the delays in deliveries, the core programs of our key customers dropped significantly as those garments could not be sold during the right season. The decrease was also attributable to fierce market competition which resulted in price reductions and also impacted the ability to retain customers.

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Administrative costs remain consistent from prior period from US\$5.3m to US\$5.4m in 1HY2024 as compared to the previous corresponding financial period.

Directors' report (cont'd)

Review of operations (cont'd)

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GLG's net loss after tax for the half year period 31 December 2023 amounted to US\$2.1m, compared with a loss of US\$0.1m in the corresponding financial period. The increase in net loss after tax was mainly due to lower revenue generated with lower margin in these macro-economic conditions and low utilisation of the production capacities.

The group expects the trading conditions experienced in 1HFY2024 to persist into 2HFY2024 and therefore expects a financial loss for financial year ended 30 June 2024 that is higher than the previous financial year ended 30 June 2023, due to the geopolitical uncertainties in the middle-east, on-going conflict in Ukraine, price competition with lower margin, high interest rates and freight rate increase due to the Red Sea crisis.

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Directors' report (cont'd)

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As a result of the above, there was a net decrease of US\$1.8m in cash and cash equivalents from 1H FY2024, from a net cash surplus of US\$19.2m as at 31 December 2022 to a net cash surplus of US\$17.4m as at 31 December 2023.

We believe the balance cash position and forecast cash flow from continuing operations of GLG remains adequate to meet our working capital, capital expenditures, debt servicing and other funding requirements.

Dividends

In respect of the financial period ended 31st December 2023, the Directors do not recommend the payment of an interim dividend.

In respect of the financial period ended 31st December 2022, no dividend was declared.

Auditor's independence declaration

The auditor's independence declaration is included on page 7 of the half-year report.

Significant changes in the state of affairs

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

Rounding off of amounts

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, unless otherwise indicated. Amounts have been rounded off in the directors' report and financial statements in accordance with that Legislative Instrument.

Signed in accordance with a resolution of directors made pursuant to s.306 (3) of the *Companies Act 2001*.

On behalf of the Directors

Felicia Gan, CEO

Singapore, 28th February 2024

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

As lead auditor for the review of GLG Corp Ltd for the half-year ended 31 December 2023, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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, 28 February 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of GLG Corp Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of GLG Corp Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

The signature is a stylized, handwritten-style mark in black ink, appearing to be the initials 'SM' or similar, written over the company name.

BDO
BDO Audit Pty Ltd

Stephen May
Director

Sydney, 28 February 2024

Directors' declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Felicia Gan, CEO
Singapore, 28th February 2024

Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2023

		Consolidated	
		Half-year ended	
	Note	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000
Continuing Operations			
Revenue	2	67,013	69,493
Cost of sales		(57,822)	(54,562)
Gross profit		9,191	14,931
Other income		201	1,064
Selling and distribution expenses		(3,618)	(5,382)
Administration expenses		(5,424)	(5,267)
Finance costs		(1,233)	(1,147)
Other expenses	3	(967)	(3,947)
(Loss)/ profit before income tax expense		(1,850)	252
Income tax expense		(209)	(390)
Loss for the period		(2,059)	(138)
Other comprehensive income:		-	-
Total comprehensive loss for the period		(2,059)	(138)
Earnings per share:			
From continuing operations:			
Basic (cents per share)		(2.78)	(0.19)
Diluted (cents per share)		(2.78)	(0.19)

Notes to the financial statements are included on pages 15 to 25

Consolidated statement of financial position as at 31 December 2023

		Consolidated	
	Note	31 Dec 2023 US\$'000	30 Jun 2023 US\$'000
Current assets			
Cash and cash equivalents		17,366	19,159
Trade and other receivables	4	27,657	27,703
Inventory		19,770	25,463
Other assets		1,651	1,192
Total current assets		66,444	73,517
Non-current assets			
Other financial assets		5,559	5,559
Trade and other receivables	4	2,700	2,700
Property, plant and equipment	8	25,092	26,494
Right-of-use assets		2,665	3,660
Intangible assets	9	2,664	2,896
Total non-current assets		38,680	41,309
Total assets		105,124	114,826
Current liabilities			
Trade and other payables	10	10,153	16,087
Borrowings	5	34,675	34,002
Lease liabilities		1,933	1,859
Current tax liabilities		161	211
Total current liabilities		46,922	52,159
Non-current liabilities			
Borrowings	5	1,106	2,468
Lease liabilities		938	2,000
Deferred tax liabilities		2,902	2,884
Total non-current liabilities		4,946	7,352
Total liabilities		51,868	59,511
Net assets		53,256	55,315
Equity			
Issued capital		10,322	10,322
Revaluation reserves		2,274	2,274
Merger reserves		(14,812)	(14,812)
Retained earnings		55,472	57,531
Total equity		53,256	55,315

Notes to the financial statements are included on pages 15 to 25.

Consolidated statement of changes in equity for the half-year ended 31 December 2023

	Issued Capital	Asset Revaluation Reserve	Merger Reserve	Retained Profits	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Consolidated					
Balance as at 1 July 2022	10,322	2,947	(14,812)	60,594	59,051
Dividend declared	-	-	-	(1,112)	(1,112)
Loss after income tax expense	-	-	-	(138)	(138)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half- year	-	-	-	(138)	(138)
Balance as at 31 December 2022	10,322	2,947	(14,812)	59,344	57,801
Balance as at 1 July 2023	10,322	2,274	(14,812)	57,531	55,315
Loss after income tax expense	-	-	-	(2,059)	(2,059)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half- year	-	-	-	(2,059)	(2,059)
Balance as at 31 December 2023	10,322	2,274	(14,812)	55,472	53,256

Notes to the financial statements are included on pages 15 to 25.

Consolidated statement of cash flows for the half-year ended 31 December 2023

	Consolidated	
	Half-year ended	
	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000
Cash flows from operating activities		
Receipts from customers	66,526	80,325
Payments to suppliers and employees	(62,978)	(57,633)
Proceeds from outsourced manufacturing suppliers	720	1,595
Interest and other costs of finance paid	(1,146)	(898)
Interest paid to lease liabilities	(87)	(249)
Interest received	88	7
Income tax paid	(241)	(567)
Net cash provided by operating activities	2,882	22,580
Cash flows from investing activities		
Purchase of property, plant and equipment	(661)	(428)
Proceeds from sale of property, plant and equipment	1	19
Rental deposit refunded	-	1,312
Net cash (used in)/ from investing activities	(660)	903
Cash flows from financing activities		
Repayments to borrowings	(690)	(23,191)
Repayments of lease liability	(987)	(1,054)
Repayment to Ghim Li Group	(2,338)	(1,031)
Net cash used in financing activities	(4,015)	(25,276)
Net decrease in cash and cash equivalents	(1,793)	(1,793)
Cash and cash equivalents at the beginning of the financial period	19,159	13,893
Cash and cash equivalents at the end of the financial period	17,366	12,100

Notes to the financial statements are included on pages 15 to 25.

Notes to the consolidated financial statements

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

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, unless otherwise indicated. Amounts have been rounded off in the directors' report and financial statements in accordance with that Legislative Instrument.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the GLG's 2023 annual financial report for the financial year ended 30 June 2023, except for the impact of the new and revised Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial period where required.

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.

1. Significant accounting policies (cont'd)

Fair value measurement (cont'd)

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 8 for further details

There were no transfers between levels during the period.

Valuations of land and buildings and investment properties

Freehold and leasehold land and building, along with investment properties have been valued based on similar assets, location and market conditions at fair value on an annual basis.

New accounting standards and interpretations

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

Any new, revised or amending accounting standards or interpretations that are not yet mandatory have not been early adopted.

2. 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.

The information reported to the directors is on at least a monthly basis.

Types of products and services

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

Fabric manufacturing the manufacture and wholesaling of fabric

Garment the manufacturing and wholesaling of garments

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.

2. Segment information (cont'd)

Operating segment information

	Fabric manufacturing	Garment	Intersegment eliminations	Total
Consolidated – 31 December 2023	US\$'000	US\$'000	US\$'000	US\$'000
Revenue				
Sales to external customers	185	66,828	-	67,013
Intersegment sales	16,207	-	(16,207)	-
Total revenue	16,392	66,828	(16,207)	67,013
Interest received	27	61	-	88
Depreciation and amortisation	(1,296)	(1,596)	95	(2,797)
Bad and doubtful debts	-	(49)	-	(49)
EBIT	(2,214)	1,597	-	(617)
Finance costs				(1,233)
Loss before income tax expense				(1,850)
Income tax credit				(209)
Loss after income tax expense				(2,059)

	Fabric	Garment	Corporates	Intersegment eliminations	Total
31 December 2023	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Assets	36,125	121,806	107,654	(160,461)	105,124
Liabilities	(19,097)	(66,911)	(17,582)	51,722	(51,868)

2. Segment information (cont'd)

Operating segment information

	Fabric manufacturing	Garment	Intersegment eliminations	Total
Consolidated – 31 December 2022	US\$'000	US\$'000	US\$'000	US\$'000
Revenue				
Sales to external customers	295	69,198	-	69,493
Intersegment sales	16,709	-	(16,709)	-
Total revenue	17,004	69,198	(16,709)	69,493
Interest received	6	1	-	7
Depreciation and amortisation	(1,279)	(1,825)	98	(3,006)
Bad and doubtful debts	-	(30)	6	(24)
Impaired of claim	-	(1,097)	-	(1,097)
Impairment of deposits from outsourced manufacturer	-	(2,000)	-	(2,000)
EBIT	(420)	1,819	-	1,399
Finance costs				(1,147)
Profit before income tax expense				252
Income tax expense				(390)
Profit after income tax expense				(138)

	Fabric	Garment	Corporates	Intersegment eliminations	Total
30 June 2023	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Assets	39,130	134,707	113,511	(172,522)	114,826
Liabilities	(19,580)	(80,461)	(23,534)	64,064	(59,511)

2. Segment information (cont'd)

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

		Fabric	
		31 December 2023 US\$'000	31 December 2022 US\$'000
India		144	249
Malaysia		41	46
		185	295

		Garments	
		31 December 2023 US\$'000	31 December 2022 US\$'000
Cambodia		129	481
Canada		11,251	11,353
Europe		716	455
Malaysia		56	294
Others		538	84
Singapore		221	67
USA		53,917	56,464
		66,828	69,198

Disaggregation of revenue

Revenue is disaggregated by the country in which the customer is located as this depicts how the nature, amount, and timing and uncertainty of our revenue and cash flows as affected by economic factors.

3. Other expenses

	31 December 2023 US\$'000	31 December 2022 US\$'000
Bad and doubtful debts	49	24
Impairment of deposits from outsourced manufacturer (i)	-	2,000
Write-off of fixed assets	494	1
Impairment of claim from tax settlement (ii)	-	1,097
General expenses	9	308
Other	415	517
	967	3,947

- (i) The Impairment of deposits from outsourced manufacturer was due to the write off of deposits with an outsourced manufacturer in relation to the decrease in revenue and thereby reduction of allocated production to the third-party manufacturer resulting in the closure of the third party manufacturer.
- (ii) During the period ended 31 December 2022, a tax audit was conducted in respect of the Cambodian subsidiary for the period from 2017 to 2019 which resulted in a final notice of assessment of US\$0.2m which was paid and disclosed as tax expenses. In addition, an amount of US\$1.1m was paid in order to finalise and settle the tax audit for tax exposures for those years prior to the Group's acquisition of the Cambodian subsidiary's assets. In accordance with the warranty clause under the Sale and Purchase Agreement and the Sales Agreement, these amounts incurred during those periods were claimable from the seller. Whilst the amounts were considered able to be claimed from the seller, they were impaired in the half year ended 31 December 2022 due to the time that has lapsed and the uncertainty of recovery.

4. Trade and other receivables

Trade receivables are net trade receivables. The reconciliation between gross and net receivables is set out below:

As at	31 December 2023	30 June 2023
	US\$'000	US\$'000
Current		
Trade receivables		
Trade customers	11,398	10,638
GLIT Holdings and related entities (i)	15,050	15,770
Trade receivables	26,448	26,408
Other receivables		
Other receivables	499	708
Goods and services tax recoverable	710	587
Other receivables	1,209	1,295
	27,657	27,703
Non-current		
GLIT Holdings and related entities (i)	2,700	2,700
Total trade and other receivables	30,357	30,403

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.

Before accepting any new customers, GLG uses an internal 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% (1HY2023: 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.

(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 is classified as current, whilst the remaining balance that are expected to be settled in more than a year is classified as non-current.

5. Borrowings

As at	31 December 2023	30 June 2023
	US\$'000	US\$'000
Current		
Trust receipts (Gross) (i)	29,984	27,930
Finance lease liabilities	24	29
Bank Loan (ii)	948	923
Term Loan	3,719	5,120
Total current borrowings	34,675	34,002
Non-current		
Finance lease liabilities	7	18
Bank Loan (ii)	827	1,266
Term Loan	272	1,184
Total non-current borrowings	1,106	2,468
Disclosed in the financial statements as:		
Current borrowings	34,675	34,002
Non-current borrowings	1,106	2,468
Total borrowings	35,781	36,470

- (i) Secured by a negative pledge over all assets of Ghim Li Global Pte Ltd and Maxim Textile Technology Sdn Bhd. Refer to Terms and conditions of borrowing Balance for details.
- (ii) The bank loan, denominated in Singapore dollar was carried at fixed rate and was repayable over 5 years in 60 instalments from November 2020 to October 2025.

Banking relationship: GLG uses bank facilities to support the working capital requirement 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 period/ 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 6.

31 December 2023	Used US\$'000	Unused US\$'000	Total US\$'000
Short term	37,452	45,978	83,430
Long term	990	-	990
Foreign exchange	-	17,852	17,852
Total	38,442	63,830	102,272
30 June 2023	Used US\$'000	Unused US\$'000	Total US\$'000
Short term	41,705	41,391	83,096
Long term	1,304	1,144	2,448
Foreign exchange	5,000	12,675	17,675
Total	48,009	55,210	103,219

5. Borrowing (Cont'd)

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 6.9% (2023: 6.2%) 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 4.75% per annum (2023: 4.8% per annum).
- 3) Bills Payable are amounts received from banks for discounting sales invoices billed to customers, with weighted average effective interest rate of 7.4% (2023: 5.9%) per annum.

6. Contingent Liabilities

	31 December 2023	30 June 2023
	US\$'000	US\$'000
Guarantees arising from letters of credit in force (i)	1,411	2,266
Total	1,411	2,266

- (i) As a result of the Group's letter of credit issued by banks for purchase of goods has arisen the contingent liabilities.

7. 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.

8. Non-current assets – property, plant and machinery

Assets 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 2023 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.

8. Non-current assets – property, plant and equipment (cont'd)

	At Valuation			At Cost				
Cost	Freehold land and buildings	Leasehold land and buildings	Sub-total	Plant and machinery	Renovation	Other assets	Motor vehicles	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 July 2023	4,713	8,567	13,280	29,074	4,604	2,830	822	50,610
Additions	-	-	-	552	54	55	-	661
Write-off	-	-	-	(2,152)	-	(30)	-	(2,182)
Cost as at 31 December 2023	4,713	8,567	13,280	27,474	4,658	2,855	822	49,089
Accumulated depreciation								
Balance as at 1 July 2023	-	-	-	16,842	4,238	2,342	694	24,116
Depreciation expenses	-	-	-	1,372	91	88	17	1,568
Write-off	-	-	-	(1,657)	-	(30)	-	(1,687)
Accumulated depreciation as at 31 December 2023	-	-	-	16,557	4,329	2,400	711	23,997
Net book value								
As at 30 June 2023	4,713	8,567	13,280	12,232	366	488	128	26,494
As at 31 December 2023	4,713	8,567	13,280	10,917	329	455	111	25,092

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

9. Intangible Assets

Cost	Consolidated				
	Software	Goodwill	Trademark & customers network	Others	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 July 2023	2,153	1,841	2,518	407	6,919
Additions	-	-	-	-	-
Balance as at 31 December 2023	2,153	1,841	2,518	407	6,919
Accumulated Amortisation					
Balance as at 1 July 2023	767	1,841	1,008	407	4,023
Amortisation	107	-	125	-	232
Balance as at 31 December 2023	874	1,841	1,133	407	4,255
Net book value					
As at 30 June 2023	1,386	-	1,510	-	2,896
As at 31 December 2023	1,279	-	1,385	-	2,664

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. As at 31 December 2022, the goodwill has been fully impaired.

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.

10. Trade and other payables

As at	31 December 2023	30 June 2023
	US\$'000	US\$'000
Trade payables (i)	4,340	8,015
Other payables	3,015	3,271
Ghim Li Group (ii)	16	2,354
Accruals – employee remuneration	2,012	1,520
Accruals – audit fee	97	115
Accruals – trust receipts interest	245	215
Accruals - others	428	597
Total Trade and other payables	10,153	16,087

(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, majority shareholder from Ghim Li Global of US\$0.02m (2023: US\$2.4m).

11. Related party transactions

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	
	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000
Rental	603	728	-	14
Utilities	31	29	-	-
	634	757	-	14

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

Amounts payable to these related parties are disclosed in note 10 to the financial statements.

12. Events after the reporting period

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.