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 2024
Previous Reporting Period - Half Year Ended 31st December 2023

1. Highlight of Results

2. Appendix 4D Financial Statements for the Half Year ended 31 December 2024

1. Results for announcement to market

Summary financial information for the company for the six months ended 31st December 2024. Full financial details are attached to this announcement.

		Consolidated		
Summary Information	**31 –DEC-24 USD$'000**	**31 –DEC-23 USD$'000**	**Inc/(Dec) USD$'000**	**Inc/(Dec) %**
Revenue from Ordinary Activities	66,579	67,013	(434)	(0.6)
Profit/ (Loss) after Tax from Ordinary Activities	443	(2,059)	2,502	121.5
Net Profit/ (Loss) after Tax Attributable to Members	443	(2,059)	2,502	121.5
Basic Earnings – US Cents Per Share	0.60	(2.78)	3.38	121.6
Diluted Earnings – US Cents Per Share	0.60	(2.78)	3.38	121.6
Net Tangible Assets – US Cents Per Share	64.04	64.68	(0.64)	(1.0)

Dividends

In respect of the financial period ended 31st December 2024, the Directors do not recommend the payment of an interim dividend. In respect of the financial period ended 31st December 2023, no dividend was declared.

Summary commentary on results

Directors Comments:

GLG has shown significant improvement in its financial performance for the period ended 31 December 2024 ("1HFY2025") compared to the previous corresponding financial period ended 31 December 2023 ("1HFY2024"). Despite a slight decline in the revenue from US$67.0m to US$66.6m during 1HFY2025, the Group's gross profit margin improved from 13.7% to 17.7%. This improvement was primarily driven by better management of its production capacities and streamlining of the production processes that led to enhanced operational efficiency.

Other income increased by US$0.5m from US$0.2m to US$0.7m in 1HFY2025 as compared to the previous corresponding financial period due to one-off insurance compensation of US$0.2m and government grant support of US$0.2m in 1HFY2025.

Selling and distribution costs increased by 34.0% from US$3.6m to US$4.8m as compared to the previous corresponding financial period. This was mainly due to the duty and freight cost incurred on the Land-duty Paid customers' orders and global freight rates spiked over the period due to the Red-Sea Crisis.

Administrative expenses slightly decreased by 4.2% from US$5.4m in the previous period to US$5.2m in this financial period. The decrease in costs was achieved through streamlining of manpower.

Finance costs decreased by 29.4% from US$1.2m in the previous period to US$0.9m in this financial period. The decrease was mainly due to slightly lower interest rate and reduction on the borrowing with better cash management.

Other expenses increased from US$1.0m to US$1.1m in the 1HFY2025 as compared to the 1HFY2024. The increase was mainly due to foreign exchange loss which resulted from the weakening of other currencies against the United States Dollar.

GLG has successfully turned around its financial performance from a net loss after tax of US$2.1m for the 1HY2024 to a net profit after tax of US$0.4m in the 1HFY2025. The improvement was driven by management's strategic efforts in optimizing production processes, implementing effective cost management initiatives and enhancing operational efficiency.

The visibility in trading conditions has stabilised and the production process has improved. As a result, the Group expects the result to reflect ongoing improvement for the financial year ending 30 June 2025.

Directors Comments: (cont'd)

Balance Sheet position

Inventory decreased by 41.4% from US$24.4m as at 30 June 2024 to US$14.3m as at 31 December 2024. This decline was mainly due to consolidation of the garment manufacturing in Cambodia, a shift towards outsourcing manufacturers and the scaling down of the garments production plant in Malaysia. Additionally, the decline in customers' orders resulted in lower purchases of raw materials and goods in transit.

Non-current assets classified as held for sale was reclassified from property, plant and equipment relating to freehold land and building property located in Malaysia in accordance with the plan to sell the property in March 2025.

Property, plant and equipment decreased by 24.7% from US$22.2m as at 30 June 2024 to US$16.7m as at 31 December 2024 mainly due to reclassification of freehold land building of US$4.8m to non-current assets classified held for sale as discussed above and to depreciation during the period.

The right-of-use assets increased by 21.9% from US$1.8m as at 30 June 2024 to US$2.2m as at 31 December 2024 mainly due to the new office lease agreement.

The intangible assets decreased by 9.3% from US$2.6m as at 30 June 2024 to US$2.4m as at 31 December 2024 mainly due to the amortisation of intangible assets.

Trade and other payables decreased by 17.8% from US$11.3m as at 30 June 2024 to US$9.3m as at 31 December 2024, primarily due to lower advance purchases of raw materials such as yarn and fabric and settlement of outstanding payables during the period.

Current borrowings decreased by 20.7% from US$32.4m as at 30 June 2024 to US$25.6m as at 31 December 2024 mainly due to the reduction in trust receipts attributable from decrease of inventory purchases and settlement of trust receipts and bank loans during the period. Non-current borrowings remain insignificant as at 31 December 2024.

Cash Flow

In 1HFY2025, net cash flow from operating activities amounted to US$8.0m, compared to previous corresponding financial period of US$2.9m, mainly due to reduction on the outstanding payables settlement.

Net cash flows used in investing activities amounted to US$0.4m relating to purchases of property, plant and equipment.

Net cash used in financing activities increased by US$4.1m from US$4.0m in previous period to US$8.1m this financial period. The increase was mainly attributed to the net repayments of trust receipts and bank loans amounting to US$7.0m, along with lease liability repayments of US$1.0m.

As a result of the cash movements, cash and cash equivalents decreased by US$5.8m for the financial period ended 31 December 2024, from a net cash surplus of US$17.4m as at 31 December 2023 to a net cash surplus of US$11.5m as at 31 December 2024.

Despite the decrease, we believe the current cash position and forecasted cash flow from continuing operations remains sufficient to meet our working capital needs, capital expenditures, debt servicing and other funding requirements.

GLG Corp Ltd

ACN 116 632 958

Financial report for the half-year ended 31 December 2024

Financial report for the half-year ended 31 December 2024

Page

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 2024. 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 has shown significant improvement in its financial performance for the period ended 31 December 2024 ("1HFY2025") compared to the previous corresponding financial period ended 31 December 2023 ("1HFY2024"). Despite a slight decline in the revenue from US$67.0m to US$66.6m during 1HFY2025, the Group's gross profit margin improved from 13.7% to 17.7%. This improvement was primarily driven by better management of its production capacities and streamlining of the production processes that led to enhanced operational efficiency.

Other income increased by US$0.5m from US$0.2m to US$0.7m in 1HFY2025 as compared to the previous corresponding financial period due to one-off insurance compensation of US$0.2m and government grant support of US$0.2m in 1HFY2025.

Selling and distribution costs increased by 34.0% from US$3.6m to US$4.8m as compared to the previous corresponding financial period. This was mainly due to the duty and freight cost incurred on the Land-duty Paid customers' orders and global freight rates spiked over the period due to the Red-Sea Crisis.

Administrative expenses slightly decreased by 4.2% from US$5.4m in the previous period to US$5.2m in this financial period. The decrease in costs was achieved through streamlining of manpower.

Finance costs decreased by 29.4% from US$1.2m in the previous period to US$0.9m in this financial period. The decrease was mainly due to slightly lower interest rate and reduction on the borrowing with better cash management.

Directors' report (cont'd)

Review of operations (cont'd)

Other expenses increased from US$1.0m to US$1.1m in the 1HFY2025 as compared to the 1HFY2024. The increase was mainly due to foreign exchange loss which resulted from the weakening of other currencies against the United States Dollar.

GLG has successfully turned around its financial performance from a net loss after tax of US$2.1m for the 1HY2024 to a net profit after tax of US$0.4m in the 1HFY2025. The improvement was driven by management's strategic efforts in optimizing production processes, implementing effective cost management initiatives and enhancing operational efficiency.

The visibility in trading conditions has stabilised and the production process has improved. As a result, the Group expects the result to reflect ongoing improvement for the financial year ending 30 June 2025.

Balance Sheet Position

Inventory decreased by 41.4% from US$24.4m as at 30 June 2024 to US$14.3m as at 31 December 2024. This decline was mainly due to consolidation of the garment manufacturing in Cambodia, a shift towards outsourcing manufacturers and the scaling down of the garments production plant in Malaysia. Additionally, the decline in customers' orders resulted in lower purchases of raw materials and goods in transit.

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Directors' report (cont'd)

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Despite the decrease, we believe the current cash position and forecasted cash flow from continuing operations remains sufficient to meet our working capital needs, capital expenditures, debt servicing and other funding requirements.

Dividends

For the financial period ended 31 December 2024, the Directors do not recommend the payment of an interim dividend.

Similarly, no dividend was declared for the corresponding period ended 31 December 2023.

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, 27th February 2025

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Sydney NSW 2000
Australia

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 2024, 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, 27 February 2025

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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 2024, 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, material accounting policy information 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 2024 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 2024 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.

BDO Audit Pty Ltd

BDO

Stephen May
Director

Sydney, 27 February 2025

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 2024 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, 27th February 2025

Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2024

	Note	Consolidated Half-year ended 31 Dec 2024 US$'000	31 Dec 2023 US$'000
Continuing Operations			
Revenue	2	66,579	67,013
Cost of sales		(54,804)	(57,822)
Gross profit		**11,775**	**9,191**
Other income		720	201
Selling and distribution expenses		(4,849)	(3,618)
Administration expenses		(5,198)	(5,424)
Finance costs		(870)	(1,233)
Other expenses	3	(1,137)	(967)
Profit/ (Loss) before income tax expense		**440**	**(1,850)**
Income tax expense		3	(209)
Profit/ (Loss) for the period		**443**	**(2,059)**
Other comprehensive income:		-	-
Total comprehensive profit/ (loss) for the period		**443**	**(2,059)**
Earnings per share:			
From continuing operations:			
Basic (cents per share)		0.60	(2.78)
Diluted (cents per share)		0.60	(2.78)

Notes to the financial statements are included on pages 15 to 26.

Consolidated statement of financial position as at 31 December 2024

	Note	Consolidated 31 Dec 2024 US$'000	Consolidated 30 Jun 2024 US$'000
Current assets			
Cash and cash equivalents		11,530	12,015
Trade and other receivables	4	30,849	27,795
Inventory		14,301	24,402
Current tax receivables		271	132
Other assets		811	1,174
Non-current assets classified as held for sale	5	4,772	-
Total current assets		**62,534**	**65,518**
Non-current assets			
Other financial assets		5,559	5,559
Trade and other receivables	4	2,700	2,700
Property, plant and equipment	9	16,683	22,155
Right-of-use assets		2,233	1,832
Intangible assets	10	2,380	2,623
Total non-current assets		**29,555**	**34,869**
Total assets		**92,089**	**100,387**
Current liabilities			
Trade and other payables	11	9,270	11,279
Borrowings	6	25,650	32,470
Lease liabilities		1,948	1,401
Current tax liabilities		202	63
Total current liabilities		**37,070**	**45,213**
Non-current liabilities			
Borrowings	6	131	360
Lease liabilities		374	569
Deferred tax liabilities		2,446	2,620
Total non-current liabilities		**2,951**	**3,549**
Total liabilities		**40,021**	**48,762**
Net assets		**52,068**	**51,625**
Equity			
Issued capital		10,322	10,322
Revaluation reserves		2,269	2,269
Merger reserves		(14,812)	(14,812)
Retained earnings		54,289	53,846
Total equity		**52,068**	**51,625**

Notes to the financial statements are included on pages 15 to 26.

Consolidated statement of changes in equity for the half-year ended 31 December 2024

	Issued Capital US$'000	Asset Revaluation Reserve US$'000	Merger Reserve US$'000	Retained Profits US$'000	Total US$'000
Consolidated					
Balance as at 1 July 2023	**10,322**	**2,947**	**(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**
Balance as at 1 July 2024	**10,322**	**2,269**	**(14,812)**	**53,846**	**51,625**
Profit after income tax expense	-	-	-	443	443
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half- year	-	-	-	443	443
Balance as at 31 December 2024	**10,322**	**2,269**	**(14,812)**	**54,289**	**52,068**

Notes to the financial statements are included on pages 15 to 26.

Consolidated statement of cash flows for the half-year ended 31 December 2024

	Consolidated	
	Half-year ended	
	31 Dec 2024 US$'000	31 Dec 2023 US$'000
Cash flows from operating activities		
Receipts from customers	66,623	66,526
Payments to suppliers and employees	(55,204)	(62,978)
(Payment to)/ proceeds from outsourced manufacturing suppliers	(2,444)	720
Interest and other costs of finance paid	(831)	(1,146)
Interest paid to lease liabilities	(39)	(87)
Interest received	48	88
Income tax paid	(171)	(241)
Net cash provided by operating activities	**7,982**	**2,882**
Cash flows from investing activities		
Purchase of property, plant and equipment	(411)	(661)
Proceeds from sale of property, plant and equipment	44	1
Net cash used in investing activities	**(367)**	**(660)**
Cash flows from financing activities		
Repayments of borrowings	(7,048)	(690)
Repayments of lease liability	(1,045)	(987)
Repayment to Ghim Li Group	(7)	(2,338)
Net cash used in financing activities	**(8,100)**	**(4,015)**
Net decrease in cash and cash equivalents	**(485)**	**(1,793)**
Cash and cash equivalents at the beginning of the financial period	12,015	19,159
Cash and cash equivalents at the end of the financial period	**11,530**	**17,366**

Notes to the financial statements are included on pages 15 to 26.

Notes to the consolidated financial statements

1. Material 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 2024 annual financial report for the financial year ended 30 June 2024, 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. Material 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 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

Consolidated – 31 December 2024	Fabric manufacturing US$'000	Garment US$'000	Intersegment eliminations US$'000	Total US$'000
Revenue				
Sales to external customers	289	66,290	-	66,579
Intersegment sales	15,523	-	(15,523)	-
Total revenue	15,812	66,290	(15,523)	66,579
Interest received	45	3	-	48
Depreciation	(908)	(205)	-	(1,113)
Amortisation	(108)	(1,230)	(100)	(1,238)
Loss on disposal PPE	(15)	-	-	(15)
EBIT	**92**	**1,218**	-	**1,310**
Finance costs				(870)
Profit before income tax expense				**440**
Income tax credit				3
Profit after income tax expense				**443**

31 December 2024	Fabric US$'000	Garment US$'000	Corporates US$'000	Intersegment eliminations US$'000	Total US$'000
Assets	33,091	85,846	113,465	(140,313)	92,089
Liabilities	(15,829)	(32,195)	(23,455)	31,458	(40,021)

2. Segment information (cont'd)

Operating segment information

Consolidated – 31 December 2023	Fabric manufacturing US$'000	Garment US$'000	Intersegment eliminations US$'000	Total US$'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)
Profit before income tax expense				**(1,850)**
Income tax expense				(209)
Profit after income tax expense				**(2,059)**

30 June 2024	Fabric US$'000	Garment US$'000	Corporates US$'000	Intersegment eliminations US$'000	Total US$'000
Assets	36,454	119,980	107,647	(163,694)	100,387
Liabilities	(19,190)	(67,085)	(17,455)	54,968	(48,762)

2. Segment information (cont'd)

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

	Fabric	
	31 December 2024 US$'000	**31 December 2023 US$'000**
India	30	144
Malaysia	39	41
Vietnam	101	-
Taiwan	43	-
Others	76	-
	289	**185**

	Garments	
	31 December 2024 US$'000	**31 December 2023 US$'000**
Cambodia	108	129
Canada	11,125	11,251
Europe	1,769	716
Malaysia	124	56
Others	427	538
Singapore	211	221
USA	52,526	53,917
	66,290	**66,828**

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 2024	31 December 2023
	US$'000	US$'000
Bad and doubtful debts	-	49
Write-off of fixed assets/ loss on disposal	16	494
Foreign exchange loss	537	13
Other	584	411
	1,137	**967**

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 2024	30 June 2024
	US$'000	US$'000
Current		
Trade receivables		
Trade customers	11,940	11,247
GLIT Holdings and related entities (i)	17,593	15,148
Trade receivables	**29,533**	**26,395**
Other receivables		
Other receivables	621	746
Goods and services tax recoverable	695	654
Other receivables	**1,209**	**1,400**
	30,849	**27,795**
Non-current		
GLIT Holdings and related entities (i)	2,700	2,700
Total trade and other receivables	**33,549**	**30,495**

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% (1HY2024: 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 the Group.

(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. Current assets- non-current assets classified as held for sale

	31 December 2024	30 June 2024
	US$'000	US$'000
Freehold land and building	4,772	-
Total	**4,772**	-

The property located in Lot 7962, Batu 22, Jalan Johor Bahru-Air Hitam Kulai, Malaysia, owned by a subsidiary, Maxim Textile Technology Sdn Bhd, is currently held for sale under a sale and purchase agreement dated 12 November 2024 with a third-party buyer. The transaction is expected to be completed within four months from the agreement date, or around April 2025. Management is the process of clearing and vacating the property in preparation for the expected handover in March 2025.

The Group measure a non-current assets classified as held for sales at the lower of its carrying amount and fair value less costs to sell.

6. Borrowings

As at	31 December 2024	30 June 2024
	US$'000	US$'000
Current		
Trust receipts (Gross) (i)	22,963	28,555
Bill payables (iii)	1,550	2,330
Finance lease liabilities	23	18
Bank Loan (ii)	789	922
Term Loan (iv)	325	645
Total current borrowings	**25,650**	**32,470**
Non-current		
Finance lease liabilities	131	-
Bank Loan (ii)	-	341
Term Loan (iv)	-	19
Total non-current borrowings	**131**	**360**
Disclosed in the financial statements as:		
Current borrowings	25,650	32,470
Non-current borrowings	131	360
Total borrowings	**25,781**	**32,830**

(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.

(iii) Bills Payable are amounts received from banks for discounting sales invoices billed to customers, with weighted average effective interest rate of 6.7% (2024: 7.4%) per annum.

(iv) 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 (2024: 4.75% per annum).

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 2024	Used	Unused	Total
	US$'000	US$'000	US$'000
Short term	29,676	49,996	79,672
Long term	325	-	325
Foreign exchange	-	18,158	18,158
Total	**30,001**	**68,154**	**98,155**

6. Borrowing (Cont'd)

30 June 2024	Used US$'000	Unused US$'000	Total US$'000
Short term	34,777	44,528	79,305
Long term	1,927	-	1,927
Foreign exchange	-	17,569	17,569
Total	**36,704**	**62,097**	**98,801**

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 bearing a weighted average effective interest rate of 6.6% (2024: 6.9%) 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 4.75% per annum (2024: 4.75% per annum).

3) Bills Payable are amounts received from banks for discounting sales invoices billed to customers, with weighted average effective interest rate of 6.7% (2024: 7.4%) per annum.

7. Contingent Liabilities

	31 December 2024 US$'000	30 June 2024 US$'000
Guarantees arising from letters of credit in force (i)	346	645
Total	**346**	**645**

(i) As a result of the Group's letter of credit issued by banks for purchase of goods which is brought to the account as contingent liabilities.

8. Subsequent Events

There has not been any matter or circumstance occurring subsequent to the end of the financial period 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 years.

9. Non-current assets – property, plant and equipment

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 2024 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.

9. 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 2024	**4,772**	**8,482**	**13,254**	**23,733**	**4,665**	**2,887**	**822**	**45,361**
Additions	-	-	-	129	31	32	249	441
Disposal	-	-	-	(96)	(6)	(40)	(242)	(384)
Classified as held for sale (note 5)	(4,772)	-	(4,772)	-	-	-	-	(4,772)
Cost as at 31 December 2024	**-**	**8,482**	**8,482**	**23,766**	**4,690**	**2,879**	**829**	**40,646**
Accumulated depreciation								
Balance as at 1 July 2024	-	-	-	**15,600**	**4,393**	**2,484**	**729**	**23,206**
Depreciation expenses	-	-	-	972	52	71	18	1,113
Disposal	-	-	-	(79)	(6)	(29)	(242)	(356)
Accumulated depreciation as at 31 December 2024	**-**	**-**	**-**	**16,493**	**4,439**	**2,526**	**505**	**23,963**
Net book value								
As at 30 June 2024	**4,772**	**8,482**	**13,254**	**8,133**	**272**	**403**	**93**	**22,155**
As at 31 December 2024	**-**	**8,482**	**8,482**	**7,273**	**251**	**353**	**324**	**16,683**

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

10. Intangible Assets

Consolidated					
Cost	**Software**	**Goodwill**	**Trademark & customers network**	**Others**	**Total**
	US$'000	US$'000	US$'000	US$'000	US$'000
Balance as at 1 July 2024	**2,351**	**1,841**	**2,518**	**407**	**7,117**
Additions	-	-	-	-	-
Balance as at 31 December 2024	**2,351**	**1,841**	**2,518**	**407**	**7,117**
Accumulated Amortisation					
Balance as at 1 July 2024	**986**	**1,841**	**1,260**	**407**	**4,494**
Amortisation	118	-	125	-	243
Balance as at 31 December 2024	**1,104**	**1,841**	**1,385**	**407**	**4,737**
Net book value					
As at 30 June 2024	**1,365**	-	**1,258**	-	**2,623**
As at 31 December 2024	**1,247**	-	**1,133**	-	**2,380**

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. The goodwill has been fully impaired in the previous period

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.

11. Trade and other payables

As at	31 December 2024	30 June 2024
	US$'000	US$'000
Trade payables (i)	4,091	6,263
Other payables	2,796	2,647
Ghim Li Group (ii)	9	16
Accruals – employee remuneration	1,765	1,577
Accruals – audit fee	92	130
Accruals – trust receipts interest	141	253
Accruals - others	376	393
Total Trade and other payables	**9,270**	**11,279**

(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$0.01m (2024: US$0.02m).

12. 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)	
	31 Dec 2024 US$'000	**31 Dec 2023 US$'000**
Rental	582	603
Utilities	35	31
	617	**634**

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.

13. Discontinued operation

GLM, a subsidiary in Malaysia had discontinued its operations in November 2024. Its operations and inventories were transferred to an outsource manufacturer in Indonesia and to its related companies. The discontinued operation is not expected to have a material impact to the group as the production was only transferred to its related companies and to an outsource manufacturer which has been part of the production operation of the group.