

GLG CORP LTD

Annual General Meeting

LEVEL 11, 1 MARGARET STREET
SYDNEY

11:00am Sydney Time
26th November 2019

WELCOME



Cautionary Note on Forward-looking Statements

This presentation may contain statements regarding the business of GLG Corp Limited and its subsidiaries ('Group') that are of a forward looking nature and are therefore based on management's assumptions about future developments.

Such forward looking statements are intended to be identified by words such as 'believe', 'estimate', 'intend', 'may', 'will', 'expect', and 'project' and similar expressions as they relate to the Group. Forward-looking statements involve certain risks and uncertainties because they relate to future events. Actual results may vary materially from those targeted, expected or projected due to several factors.

Potential risks and uncertainties includes such factors as general economic conditions, foreign exchange fluctuations, interest rate changes, commodity price fluctuations and regulatory developments. Such factors that may affect GLG Corp's future financial results are detailed in our 2016 Annual Report. The reader and/or listener is cautioned to not unduly rely on these forward-looking statements. We do not undertake any duty to publish any update or revision of any forward looking statements.

Board of Directors, Exec & Auditor

Members of The Board

- Estina Ang Suan Hong – Executive Chairman & CEO
- Grant Hummel – Independent Director, Chairman of Nomination & Remuneration Committee
- Peter Tan – Independent Director, Chairman of Audit Committee
- Felicia Gan – Executive Director, Chief Marketing Officer

Company Secretary

Alistair Chong

Chief Financial Officer

Shawn Fung

Auditor, BDO East Coast Partnership

Ryan Pollett – Engagement Partner



Agenda of AGM

Director's Review including

Market Place Outlook

Annual Report

Resolutions

Any Other Business

Director's Review



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Income Statement

FY2019 vs FY2018

GLG Corp Ltd Income Statement	FY2018 US'000	FY2019 US'000	% Change
Sales	180,606	175,709	-3%
Cost of sales	(155,326)	(148,267)	-5%
Gross Profit	25,280	27,442	+8%
Other Operating Income	1,118	1,031	-9%
Selling & Distribution Expenses	(6,252)	(8,315)	+33%
Administrative Expenses	(11,614)	(13,867)	+19%
Other Operating Expenses	(2,649)	(1,675)	-37%
Finance cost	(2,077)	(3,178)	+53%
Profit before tax	3,806	1,438	-38%
Income tax	(1,411)	(983)	-30%
Profit after tax	2,395	455	-81%

Revenue by Key Customers

FY2019 vs FY2018

Sales from Top 10 Customers	FY2018 US'000	FY2019 US'000	Variance US'000	CHANGE %
MACY'S	49,513	50,230	717	1%
WAL-MART USA	57,375	48,072	(9,303)	-16%
WAL-MART CANADA	34,151	32,993	(1,158)	-3%
AERO	17,504	12,702	(4,802)	-27%
LIDL	10,256	-	(10,256)	-100%
GIII APPAREL	6,123	14,026	7,903	129%
MGF SOURCING	86	-	(86)	-100%
GERBER	863	30	(833)	-97%
EL CORTE	1,195	784	(411)	-34%
J Crew	1,861	9,047	7,186	-
OTHERS	1,679	7,825	6,146	366%
GRAND TOTAL	180,606	175,709	(4,897)	-3%



Revenue for FY2019

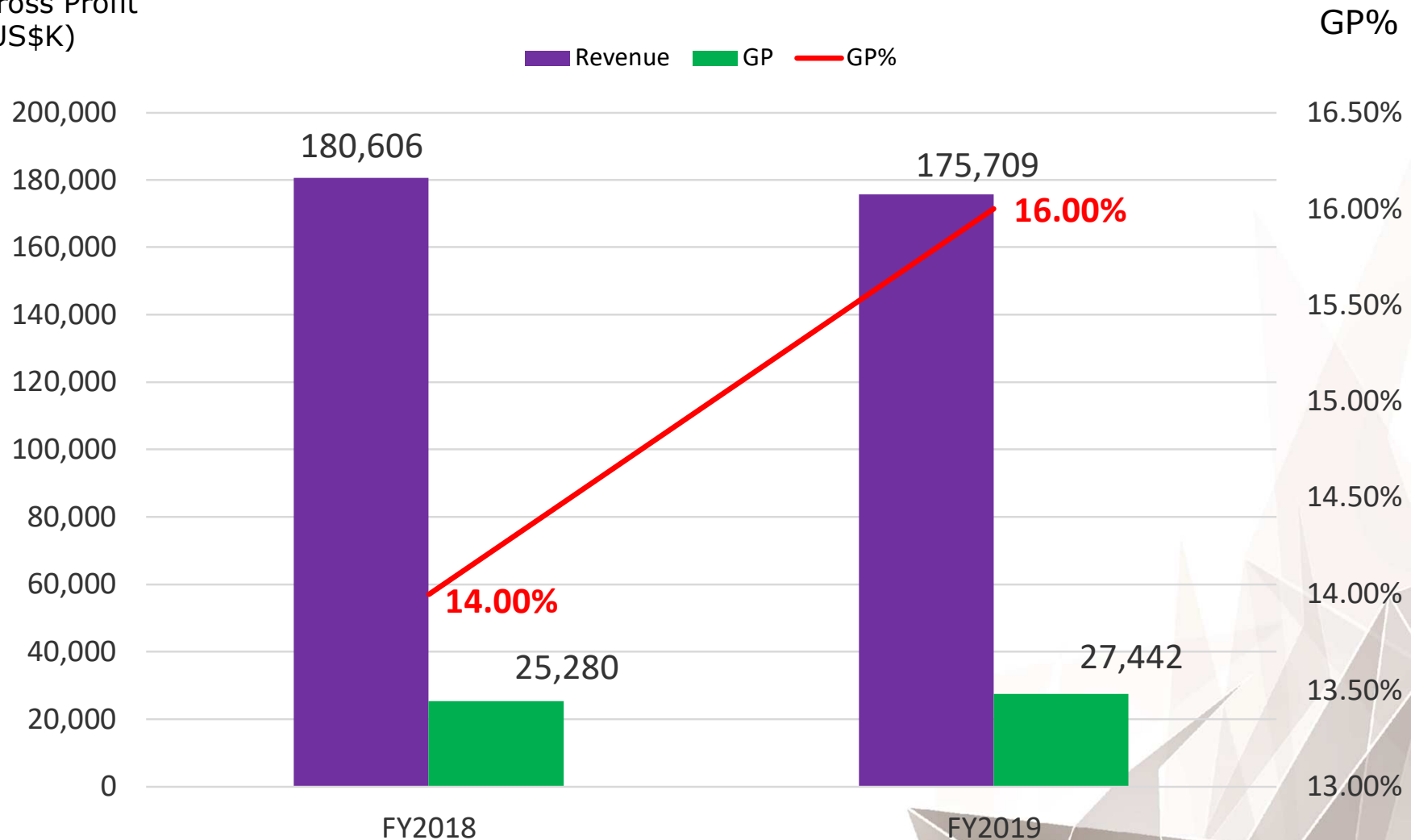
By Quarter - Value and Unit Price

Revenue by Quarter	FY2019		
	Sales	Dozen	Average price per dozen
	US\$ million	US\$ million	US\$
1Q: Jul-Sep 2018	43.4	1.2	36.17
2Q: Oct-Dec 2018	45.4	1.4	32.43
3Q: Jan-Mar 2019	40.4	1.1	36.73
4Q: Apr-Jun 2019	46.5	1.3	35.77
Grand Total	179.7	5.0	35.94

Full Year Performance FY2019 vs FY2018

GLG Corp Ltd

Revenue &
Gross Profit
(US\$K)



Cost below Gross Margin Analysis

FY2019 vs FY2018

	FY2018 US'000	FY2019 US'000	% Change
Selling & Distribution Expenses	(6,252)	(8,315)	33% 
Administrative Expenses	(11,614)	(13,867)	19% 
Other Operating Expenses	(2,649)	(1,675)	37% 
Finance cost	(2,077)	(3,178)	53% 

- Selling & Distribution expenses increase due to the incurrence of airfreight cost and raw materials deliveries cost by garment factory in Cambodia and Maxim fabric mill to meet the tight delivery dates required from customers.
- Administrative costs increase due to increase in admin headcount in HQ coupled with an increase in costs from consolidation of garment factory in Cambodia.
- Other Operating Expenses decreased due to reduction in legal fees and cost avoidance in commitment fees payable to outsourced manufacturers in previous year.
- Finance costs increase due to purchase of raw materials to support higher sales and new machinery investment.

Financial Highlights of FY2019

FINANCIAL HIGHLIGHTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019



OPERATIONAL HIGHLIGHTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

FY2019 was a challenging year for the Company as a whole, as we faced headwinds in sales efforts which resulted in lower sales by nearly US\$5 million, mainly attributed to continued weakness in our end-customer retail apparel market in the U.S. On a positive note, the Company consciously improved its mix of customers by adding new customers in the U.S., despite seeing lower sales from existing customers who experienced inventory glut and slowdown of their retail orders.

Our Quarterly Journey in FY2019 is best depicted in the following key events:



Operational Highlights of FY2019

SECOND QUARTER OF FY2019 (OCTOBER TO DECEMBER 2018)

OCTOBER 2018

Annual Report FY2018 was completed and sent to shareholders and made available on company website

Held Business and operations review of Singapore HQ and all subsidiaries



NOVEMBER 18

Annual General Meeting for GLG Corp held in Sydney

Resignation of Shane Hartwig from the Board

DECEMBER 2018

Grant Hummel joins the Board as Chairman of N&R Committee and member of Audit Committee

GLG appoints new Share Registry service provider, Boardroom Pty Ltd to replace LINK Market Services



Operational Highlights of FY2019

JANUARY 2019

The Group's Singapore subsidiary, Ghim Li Global received certification from WeConnect International, a global network that connects women-owned businesses like GLG Corp to qualified multinational corporate buyers around the world.

MARCH 2019

Held Business and operations review of Singapore HQ and all subsidiaries

**THIRD
QUARTER
OF FY2019
(JANUARY TO
MARCH 2019)**



FEBRUARY 2019

Appendix 4D (First Half of FY2019) financial statements audited and filed with ASX

February Board meetings held in Singapore HQ to review business results, HR matters, etc.

Grant Hummel visits GLG HQ in SG as new board member



Operational Highlights of FY2019



Forbes
Asia

JUNE 2019

Board meetings held in Singapore HQ to approve Budget FY2019 and business strategies
Received from Walmart for Supplier Recognition (as Gold Guru award) on Project Gigaton for 2019 Energy GHG emission reduction

MAY 2019

BDO Australia Engagement Partner, Ryan Pollett visits GLG Corp's Singapore HQ and factories in Malaysia

CEO Estina Ang was selected by Forbes Asia in their top 25 Emergent women in Asia enterprises

ProjectGigaton



Factory Highlights of FY2019

MAXIM MALAYSIA – FABRIC MILL

MAXIM TEXTILE TECHNOLOGY SDN BHD



Maxim Fabric Mill in Malaysia achieved positive momentum in the production and export of its fabric, reaching another all-time high record of revenue of US\$63 million to support the demand of knitted fabric from its customers.

This new milestone for Maxim in its improved Malaysian fabric mill reassures the company is heading towards the right direction in its vertical-integration textile manufacturing strategy, ever since this company was acquired in late 2016

Factory Highlights of FY2019

G&G FASHION (VIETNAM) CO., LTD.



G&G Fashion (Vietnam) Co. Ltd was a legal entity incorporated in Vietnam in 2016 as GLG's first owned garment manufacturing factory, with state-of-art machinery, to supplement manufacturing capacity.

In FY2019, the factory had its second year of volume production, but not at its optimal level. Towards end of the fiscal year, the Board made the strategic decision to sell the factory business to an external party, Dragon Crowd Garment Inc.

Despite this change of ownership, the Vietnam factory will remain as a supplier with its current capacity of 30 production lines to GLG under an outsourcing agreement to support the manufacturing needs of GLG on an ongoing basis.

Factory Highlights of FY2019

GHIM LI FASHION (MALAYSIA) SDN BHD



For the entire fiscal year of FY2019, Ghim Li Fashion (M) Sdn Bhd operated as a fully-owned subsidiary of GLG, with its operating results consolidated into the garment business segment of the Group.

Factory Highlights of FY2019

GG FASHION (CAMBODIA) CO., LTD.



FY2019 also witnessed the Group's successful completion of its garment manufacturing strategy by establishing a new legal entity, GG Fashion (Cambodia) Co. Ltd, which owns and manage specific assets acquired from its outsourced manufacturing partner, Ghim Li (Cambodia) Pte Ltd and its parent company, GLIT Holdings Pte Ltd.

The assets acquired consisted of machinery and equipment, some other fixed assets and intangible assets such as trade name and customer network, employee database and records. With that, GG Fashion (Cambodia) Co. Ltd became its first inhouse garment manufacturing factory for the Group in Cambodia with operations in two leased facilities in Phnom Penh.



GHIM LI'S NETWORK

Over 9,000+ employees across 6 countries

shipping over 60.7 million
garments annually

* Outsourced Manufacturing Partner



Marketplace Update

The apparel retail industry continues to see more and more successful retailers adopting the Online-to-offline (O2O) model with physical store operations whilst expanding their online platform with increased sales. This reaffirms our belief that physical stores are here to stay.

We see some retailers building larger flagship stores to offer an integrated shopping experience using their offline and online platform, such as order online and pick-up in-store, or consumers placing orders online from the stores and have them delivered to a pick-up location or store of their choice. This combination of O2O model has become very successful, in allowing such retailers to maintain an ongoing dialogue with their customers, meeting their needs and helping them in their purchasing decisions.

O2O model

Digital Transformation

Top retail players are progressing along a new digital transformational journey whereby they build a supply chain that uses advanced technology to link themselves with their garment factories, distribution centres and stores worldwide. To stay ahead, the retailers are replacing the traditional supply chain with information technology that links product design, planning, through factory production to distribution and final retail stage, allowing them to create the products customers want. Digitalization has developed the use of data analytics to allow retailers to be more targeted in their marketing and product offerings, use of management system based on RFID technology, that can identify, track and trace each piece of garment until it is sold. This technology in every link in the value chain brings consumer expectations to higher levels of personalized experience resulting in continuous shifts in consumer preferences.

We saw the trade war between U.S. and China bring a major disruption to the supply chain especially for U.S. retailers who over-relied on China for production, having to shift production out of China to other countries.

USA vs China Trade War

Outlook Update

Optimistic Economic Outlook for Retail Industry in 2020 is supported by:

- ❑ **Strong GDP growth** (this year, 2019 annual GDP of U.S. economy is pacing at a stronger rate than the average annual GDP of the past 10 years)
- ❑ **Historic unemployment at 3.6%** (50-year low)
- ❑ A key source of strength is **Consumer Confidence reaching near record high** – which is an important metric given that 70% of GDP in USA comes from consumer spending
- ❑ **Household income** at the highest level in 20 years
- ❑ **Low interest rates** so far will benefit consumers
- ❑ **Corporate earnings** in the U.S. that continue to impress

These factors will put more money in the pockets of consumers, hence support the retail industry outlook.

Annual Report FY2019

Annual Report

- To table and consider the Annual Report of the Company which includes the following:
 - Financial Report
 - Directors' Report
 - Auditor's Report

for the period ended 30 June 2019

- Questions or comments?

Note: The Financial Report, Directors' Report and Auditor's Report for the Company for the year ended 30 June 2019 will be laid before the meeting. There is no requirement for Shareholders to approve those reports. Shareholders will be given an opportunity to raise questions of the Directors and the Company's auditor on the Financial Report and Auditor's Report at the Annual General Meeting.

Resolutions



Resolutions

- Resolution 1: Adoption of Remuneration Report
- Resolution 2: Re-election of Mr. Grant Hummel as Director
- Resolution 3: Re-election of Mr. Peter Tan as Director
- Resolution 4: Re-appointment of Auditor of the Company

Resolution 1

Adoption of the Remuneration Report

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s annual financial report for the financial year ended 30 June 2019.”

For	Open	Against	Abstain
57,782,297	9,500	19,700	0

Resolution 2

Re-election of a Director

“That Mr. Grant Hummel, having been appointed as an addition to the Board, and who retires in accordance with clause 12.7 of the Company’s Constitution, and being eligible, offers himself for re-election as a Director of the Company, is hereby re-elected as a Director of the Company”.

For	Open	Against	Abstain
57,782,297	9,500	14,700	0

Resolution 3

Re-election of a Director

“That Mr. Peter Tan, having been appointed as an addition to the Board, and who retires in accordance with clause 12.7 of the Company’s Constitution, and being eligible, offers himself for re-election as a Director of the Company, is hereby re-elected as a Director of the Company”.

For	Open	Against	Abstain
57,782,297	9,500	14,700	0

Resolution 4

Re-appointment of BDO as Auditor

That BDO East Coast Partnership, having been appointed as auditor in the 2019 financial year, be re-appointed as auditor for GLG Corp for the 2020 financial year

The Company proposes and a shareholder has nominated that BDO East Coast Partnership be re-appointed as auditor of the Company.

For	Open	Against	Abstain
57,782,297	9,500	14,700	0

