

GLG CORP LTD

Annual General Meeting

LEVEL 29 CHIFLEY TOWER,
2 CHIFLEY SQUARE, SYDNEY

10:00am Sydney Time
14th November 2016

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 and Auditor

Members of The Board

- Estina Ang Suan Hong – Executive Chairman & CEO
- Christopher Chong – Independent Director
- Shane Hartwig – Independent Director
- Felicia Gan – Executive Director, Chief Marketing Officer

Company Secretary

- Jo Bourke

Auditor, Deloitte Touche Tohmatsu

- Carl Harris – Partner

Agenda

- Director's Review
- Outlook and Prospects
- Annual Report
- Resolutions
- Any Other Business

Directors Review

Marketplace Update

- Retailers are closing lower traffic stores. Store traffic in the USA have dropped significantly as consumers change the buying habits.
- Sports Authority is another recent addition to retailers filing for bankruptcy following Aeropostale.
- Other traditional retailers like Target, JC Penney, Kmart, Sears and Kohls have similarly announced significant store closures.
- There are a few bright spots like Walmart or Footlocker who has just had their earnings release and their stock price have surged by 11% following 4.7% comp growth. American Eagle Outfitters have seen a surge in stock price of 20.8% on a year to date basis

Marketplace Update

- Retailers continue to scout their vendors for innovation i.e. fabric technology, re-invent fit, novelty textured fabrics and continue to reinvent consumer experiences to capture traffic and brand loyalty amidst tough price competition
- At the same time, retailers continue to drive retail strategies to enrich customer purchasing experiences online and their stores. Most customers are seeing some results and in some cases, double-digit growth in e-commerce but that is not sufficient to replace the rate of store closings.
- Weather continues to play a strong part in determining sales and buyers are re-evaluating the way they buy, i.e. more layering styles, reduction of heavier fabric and heavy jackets. Also they are planning to buy lesser and closer to the season instead of traditionally buying four times a year.

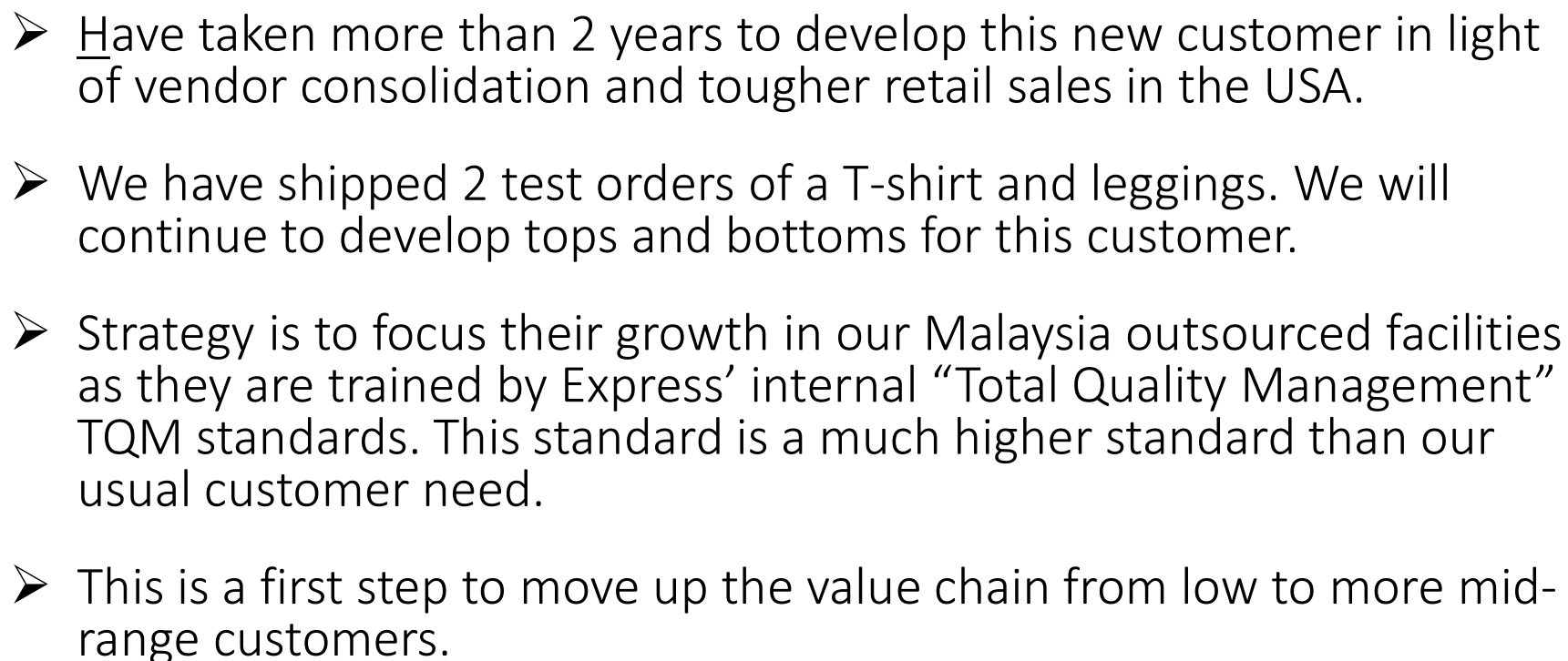
Response to Marketplace



In addition,

- To prepare for execution of LDP business as there is demand for Direct-Business instead of FOB business. Have set up a new legal entity in USA, AES (USA) Inc for this purpose.
- Diversify USA business by expanding more of EU Business with existing customers such as Lidl, EL Corte Ingles, OVS, etc. especially with Vietnam EU FTA concluded and our new Vietnam Factory can plan for duty-free shipments as of 2018 shipments.

- Express:



Response to Marketplace

- New Customer Developments in 2016

- GIII (MNY and Tommy Hilfiger)

TOMMY  HILFIGER

- GIII is a company that designs manufactures and markets men and women apparel through licensing well-known brands such as Calvin Klein, Karl Lagerfeld, Guess, Tommy Hilfiger, etc.
 - Specifically, they own 26 licenses of Calvin Klein from bags, shoes, to apparel to performance wear. More recently, they have taken over the licenses for Tommy Hilfiger ladies wear and also just acquired Donna Karan for \$650M.
 - We have shipped leggings to MNY and are in development phase for the key polo items for Tommy Hilfiger.

Sales FY2016 vs FY2015

Sales from Top 10 Customers	FY 2016 US'000	FY 2015 US'000
MACY	53,684	54,678
WAL-MART USA	51,810	30,751
WAL-MART CANADA	29,106	19,218
AEROPOSTALE/LF CENTENNIAL PTE. LTD.	14,519	38,659
LIDL HONG KONG LTD	8,657	12,312
MGF SOURCING FAR EAST,LIMITED	8,262	1,982
EL CORTE	1,130	1,082
ERNSTING'S FAMILY GMBH & CO. KG	921	1,906
TARGET	880	13,807
GRUPPOCOIN	777	1,671
OTHERS	1,012	3,918
Grand Total	170,759	179,984

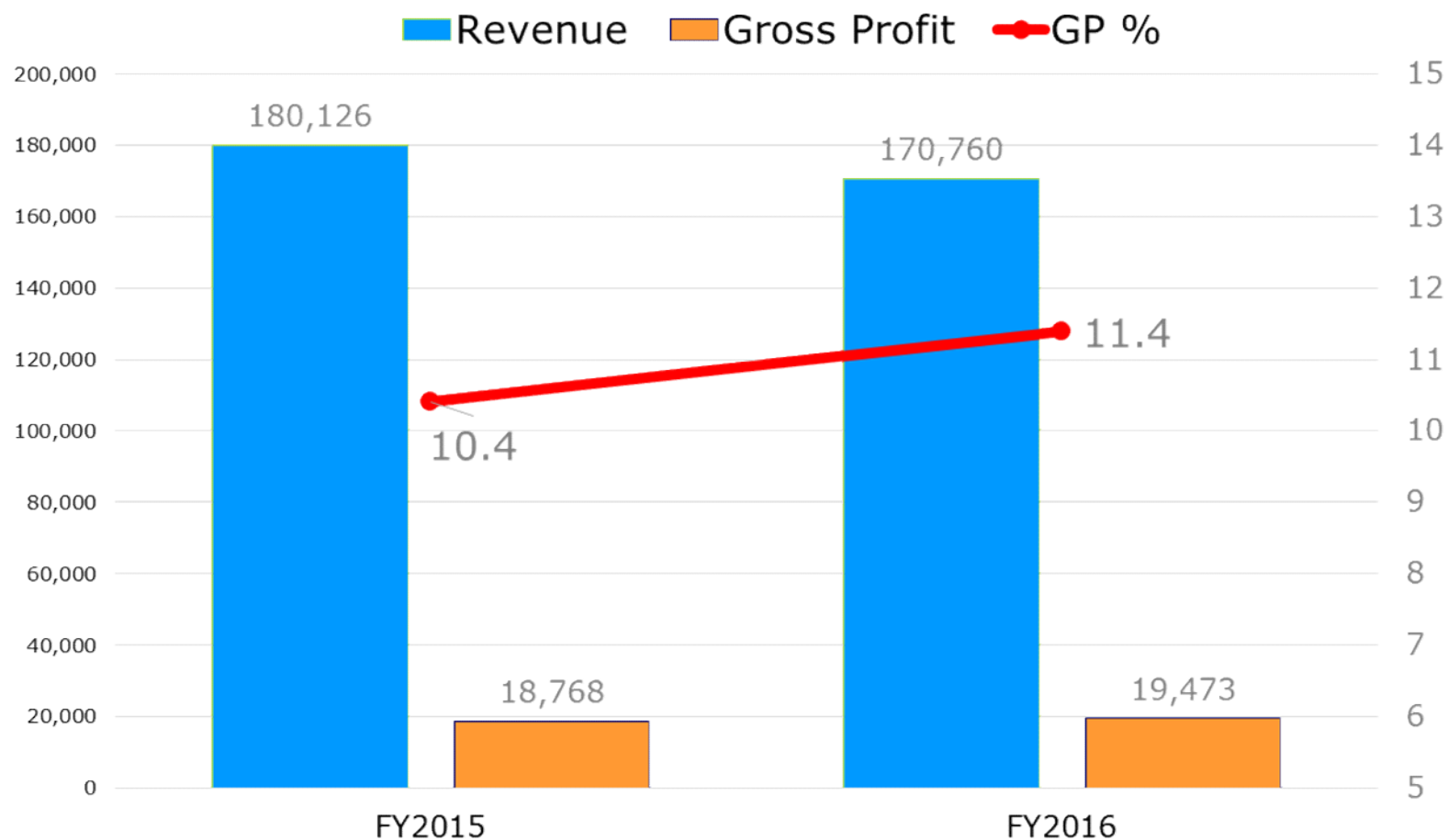
Sales FY2016

Quarter	FY2016		
	Sales	Dozen	Average
	(US\$ million)	(million)	FOB Price per Dozen (US\$)
1Q: Jul - Sep	56.8	1.5	37.93
2Q: Oct - Dec	33.1	0.9	37.82
3Q: Jan - Mar	37.3	1.2	32.25
4Q: Apr - Jun	43.5	1.4	30.67
Full Year Total:	170.7	5.0	34.51

Full Year Performance FY2016 vs FY2015

Revenue &
Gross Profit
(US\$K)

GP%



Income Statement FY2016 vs FY2015

	FY 2016 USD'000	FY 2015 USD'000	% Change
Sales	170,797	180,126	-5%
Cost of sales	(151,136)	(161,358)	-6%
Gross profit	19,661	18,768	5%
Other Operating income	466	217	115%
Selling & Distribution Expenses	(2,238)	(1,045)	114%
Administrative Expenses	(10,242)	(11,169)	-8%
Other Operating Expenses	(3,243)	(2,514)	29%
Finance costs	(761)	(392)	94%
Profit before income tax	3,643	3,865	-6%
Income tax expense	(723)	(717)	1%
Profit after income tax	2,920	3,148	-7%

Cost Analysis - FY2016 vs FY2015

	FY 2016 USD'000	FY 2015 USD'000	%
Selling & Distribution Expenses	2,238	1,045	114%
Administrative Expenses	10,242	11,169	-8%
Other Operating Expenses	3,243	2,514	29%
Finance costs	761	392	94%

- Higher Selling & Distribution costs incurred due to rush shipment of goods by airfreight instead of normal sea freight and sample costs
- Administrative cost reduction in line with the cessation of operations from Ghim Li Global International (Guangzhou) Ltd, Ghim Li Global International Ltd, Escala Fashion and Escala USA.
- Other Operating Expense increase due to commitment fee paid to Outsourced Factories
- Finance costs increased due to the finance charge of 2.5% by LF centennial for Aerospostale order which only started incurring in the current financial year.

Outlook and Prospects

Business Outlook – FY 2017

- Our customers' strategy is to concentrate on top performing stores and to invest in new technology for e-commerce sales
- Walmart has signed up with Jet.com to compete with Amazon's growing competitive share in the e-commerce business.
- Customers continue to push for sharp pricing to support sales promotions to entice customer spending, is focused on every day value
- Sluggish growth in USA and Europe. Consumers remain cautious.
- We continued with our Vertical Integration plan, tightening of Costs, improving the cash management and receivable collection efficiency

Annual Report



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 2016
- Questions or comments?

Resolutions



Resolutions

- Resolution 1: Adoption of the Remuneration Report
- Resolution 2: Re-election of Mr. Christopher Chong Meng Tak as Director
- Resolution 3: Re-election of Ms. Felicia Gan as Director
- Resolution 4: Acquisition of G&G Shares from, and issue of Consideration to the Vendor, in accordance with terms of Share Purchase Agreement

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 2016.”

For	Open	Against	Abstain
10,937,214	8,000	644,763	0

Resolution 2

Re-election of a Director

“That Mr. Christopher Chong Meng Tak, 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
65,497,214	8,000	644,763	0

Resolution 3

Re-election of a Director

“That Ms Felicia Gan, 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 herself for re-election as a Director of the Company, is hereby re-elected as a Director of the Company”.

For	Open	Against	Abstain
65,444,734	8,000	697,243	0

Resolution 4

Acquisition of G&G Shares from, and issue of Consideration Shares to the Vendor, in accordance with terms of Share Purchase Agreement

For	Open	Against	Abstain
10,884,734	8,000	697,243	0

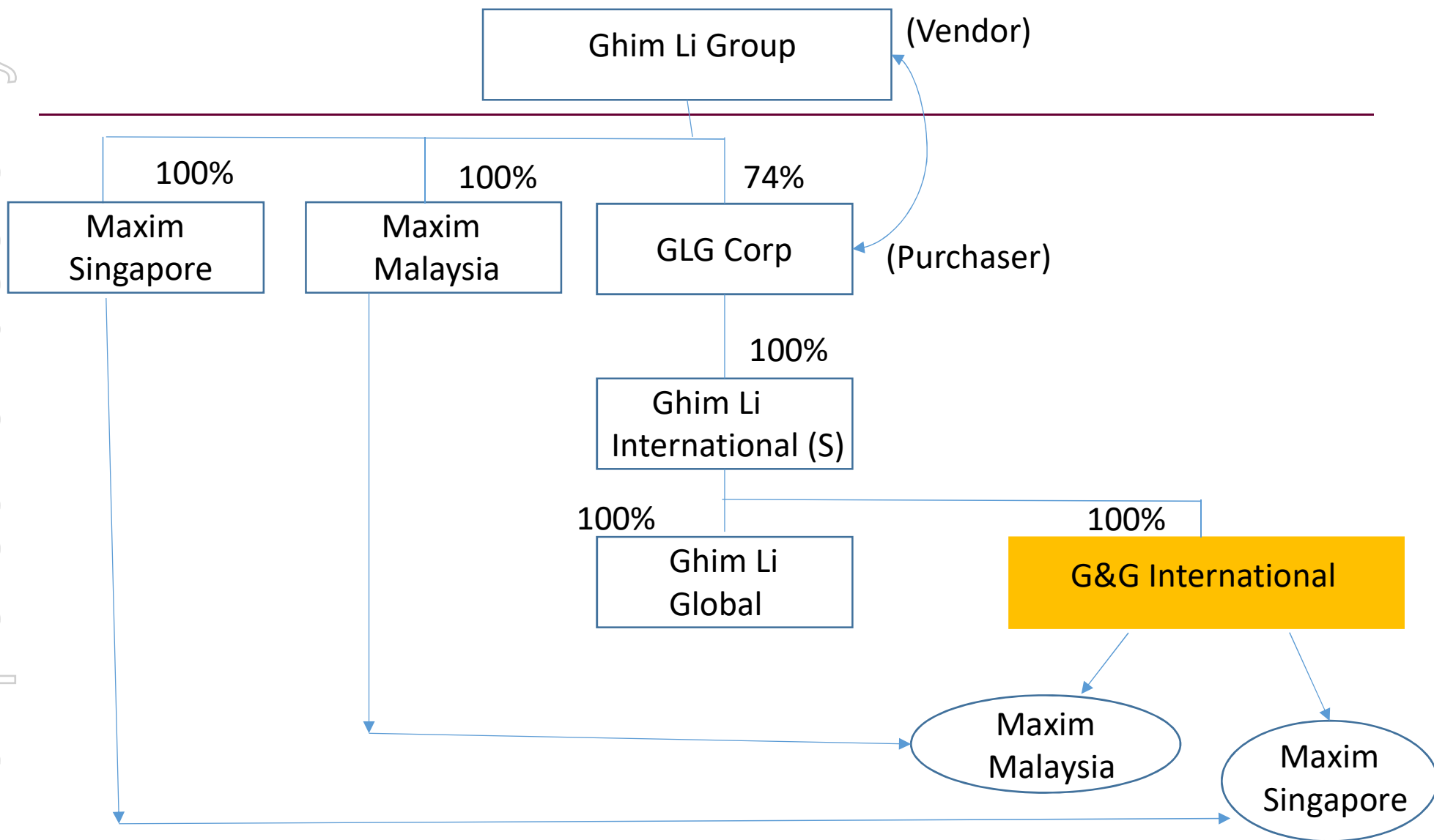
Maxim Acquisition

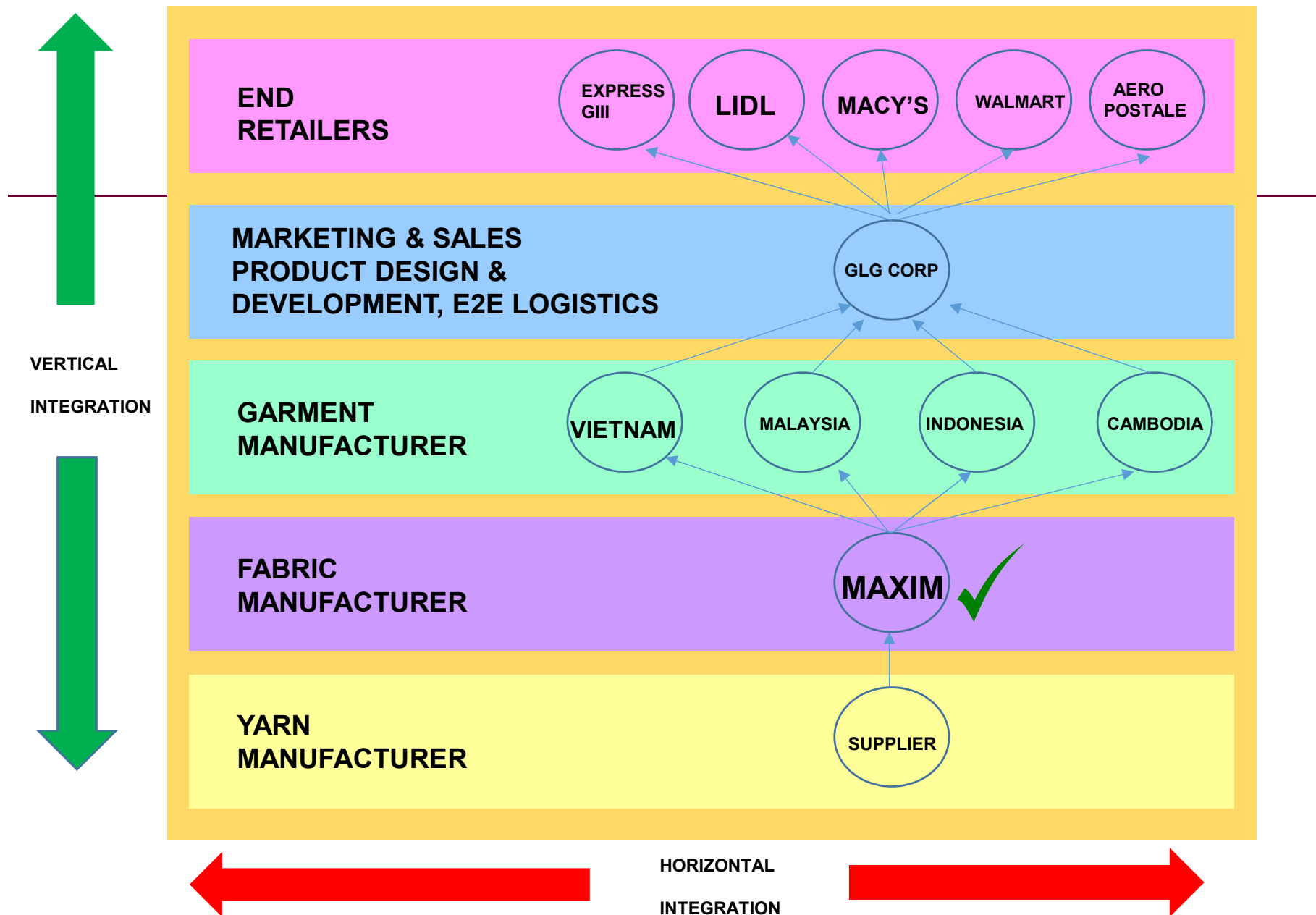


Near-Future Plan

The Company has entered a share purchase agreement to acquire a fabric mill in Malaysia. Due to changing market conditions, the Company needs to provide additional services beyond its existing business by acquiring Maxim Textile Technology Sdn Bhd, a company incorporated in Malaysia which owns the fabric mill. In addition, the company will acquire Maxim Textile Technology Pte Ltd, a company incorporated in Singapore with the intention to serve as a procurement and sourcing centre for fabric and other direct materials used in the manufacturing process of finished garments.

This acquisition is another step for us to have a vertically-integrated textile manufacturing and supply chain business, offering the flexibility to plan for shorter production lead times resulting in speed-to-market advantage to its customers by controlling each step in the value chain.

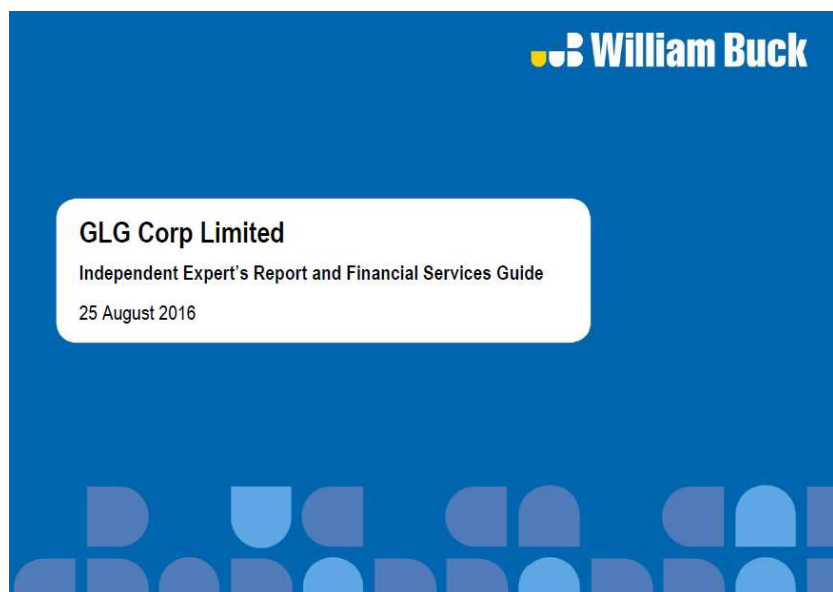






VERTICAL INTEGRATION





Adobe Acrobat
Document



Based on normalised forecast FY17 EBITDA, our DCF valuation of MXM implies an EBITDA Multiple in the range of 6.3x to 7.1x. We note that, as discussed in Section 11.3.5, MXM's normalised forecast EBITDA excludes rental income on the Kulai Property of approximately US\$256 thousand per annum and includes notional rent on the Senai Property of approximately US\$784 thousand per annum. Prior to these adjustments, MXM's implied EBITDA Multiple would be in the range of 5.0x to 5.6x.

Based on the average and median EBITDA Multiples shown by recent comparable transaction, we are of the view that the EBITDA Multiple implied by our DCF valuation of MXM does not appear unreasonable.

11.6 MXM Valuation Conclusion

Based on the foregoing discussion, we have determined the fair market equity value of MXM, on a controlling interest, non-marketable basis, to be in the range of US\$19.6 million to US\$22.2 million, including its core operating business, the Senai Property and the Kulai Property.



10.2 Valuation Methodology – G&G Group

We have adopted the following valuation methodologies to value each of the G&G Group entities.

Entity	Methodology	Reasoning
G&G International Pte Ltd	n/a	— Prior to finalisation of its acquisition of MXM and MXS, G&G's balance sheet reflects only issued capital of US\$2.
Maxim Textile Technology SDN BHD	Discounted cash flow ("DCF")	— Refer discussion at Section 10.3.
Maxim Textile Technology Pte Ltd	Net assets / liabilities	— Non-operating entity. — Value (if any) lies in underlying assets and liabilities.

2. Opinion

We have considered the terms of the Proposed Transaction and conclude that the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders of GLG.



Basis of the Evaluation of the Proposed Transaction

In our opinion, the Proposed Transaction will be fair and reasonable if:

- the fair value of Consideration provided by GLG for the Proposed Transaction is not greater than the fair value of 100% of the issued shares of G&G;
- on balance, the advantages to the Non-Associated Shareholders of approving the Proposed Transaction outweigh the disadvantages; and,
- on balance, the disadvantages to the Non-Associated Shareholders of not approving the Proposed Transaction outweigh the advantages.

Where applicable, we have considered whether or not appropriate premiums (for control or significant influence) have been reflected in our valuation calculations.



BACK UP SLIDES
(in case questions or
comments arise)

DELOITTE AUDIT OPINION

Basis for Qualified Opinion

As at 30 June 2016 the Consolidated entity has included within trade and other receivables in note 9 an amount receivable from the GLIT Group. This receivable and the trust receipts payable disclosed in note 15, are related to the arrangements disclosed in note 28 under which the Consolidated entity sources its apparel manufacturing requirements from the GLIT Group and in return guarantees to fulfil a minimum of 80% of the production capacity of GLIT Group entities. We were unable to obtain sufficient appropriate audit evidence regarding the recoverability of US\$13,573,000 of the balance receivable from GLIT Group because we did not have access to the current financial information of the GLIT group. Further we were unable to perform alternative procedures sufficient to satisfy ourselves regarding the recoverability of the balance. Consequently, we were unable to determine what adjustment, if any, to the balance receivable from GLIT Group may be necessary.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph:

(a) the financial report of GLG Corp Ltd is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.

DIRECTORS' RESPONSE TO AUDIT OPINION

Directors' response to audit qualification

The Directors note that although the qualification in the audit report refers to a lack of sufficient audit evidence with respect to the recoverability of a portion of the GLIT Receivable (being \$13,573,000), the Audit Committee and the Board have had confirmation that the qualification is not a result of any error, irregularity or breach of internal controls by GLG Corp Ltd. The Directors note that:

- 1) Due to the commercial nature of the Company's business, a large GLIT Receivable is and should be expected. This is evidenced by the fact that a large GLIT Receivables has been a regular item in the Balance Sheet of the Company, since its inception and IPO in 2005.
- 2) The GLIT Receivable has been the subject of a third party guarantee from the Ghim Li Group. The collateral provided for the guarantee was valued at US\$8.747m at 30 June 2016. Based on verbal representations made at Board meetings the directors believe the Ghim Li guarantee could and would be extended to cover the whole of the receivable.
- 3) Due to changes in the textile and garment industry, existing and potential customers require supply chain managers such as our Company to provide greater value add in terms of time to market and fabric control. The Board has therefore approved a change in strategy which includes the acquisition of a fabric mill and the acquisition of CMT (cut, make and trim) factories. The Company has identified, negotiated and signed a Sales & Purchase Agreement with Ghim Li Group for the acquisition of Maxim entities (which include a fabric mill) as noted in the Subsequent Events note of the Financial Statements. A Notice of Meeting has been sent to shareholders to hold an extraordinary shareholders' meeting to approve the proposed acquisition.

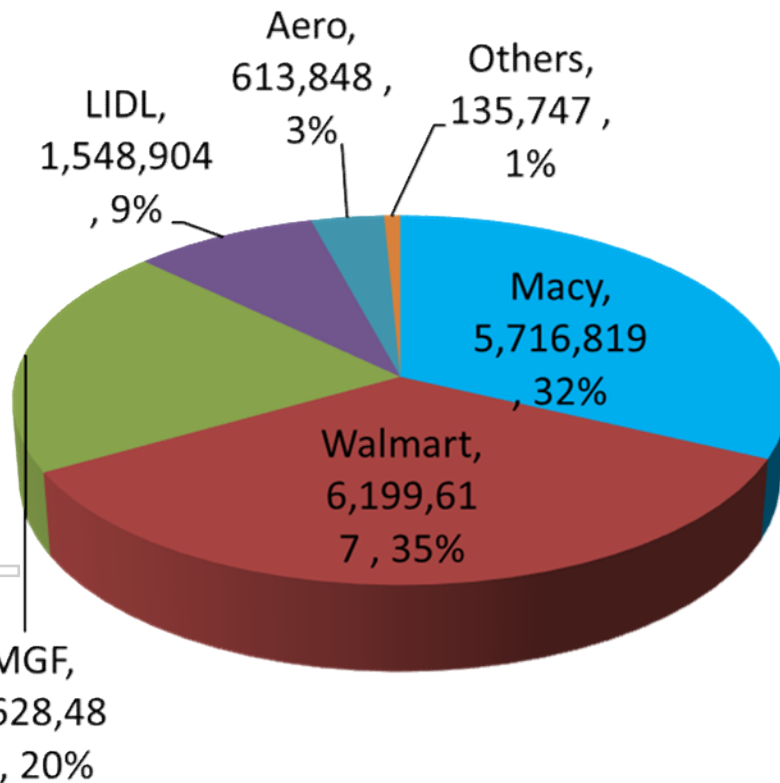
DIRECTORS' RESPONSE TO AUDIT OPINION

- a) As the acquisition is from the Ghim Li Group, and given that the Ghim Li Group has agreed that \$7.6 million of the Consideration can be withheld as security against the GLIT Receivable, the Board is of the opinion that the GLIT Receivable is better secured this year relative to last year; and
- b) The Company is in discussions with GLIT to buy a CMT factory and pay the Consideration by way of an offset arrangement. This will result in a reduction in the GLIT Receivable instead of the Company paying cash for the CMT factory. In the event such an acquisition is undertaken, the GLIT Receivable will be reduced further.
- 4) Taking into account of the subsequent acquisition of Maxim fabric mill and the possible acquisition of a CMT factory as subsequent events to the Balance Sheet date, the Directors are of the view that GLIT Receivable is wholly recoverable.
- 5) By acquiring CMT factories as part of the Company's strategy on vertical integration, the Directors are of the view that the Company will be far less reliant on GLIT in the future, resulting in a gradual decrease in the level of GLIT Receivable.

Aeropostale Receivable

Accounts Receivable Balances by Key Customers

AR balances by key customer as at
30 June 2016

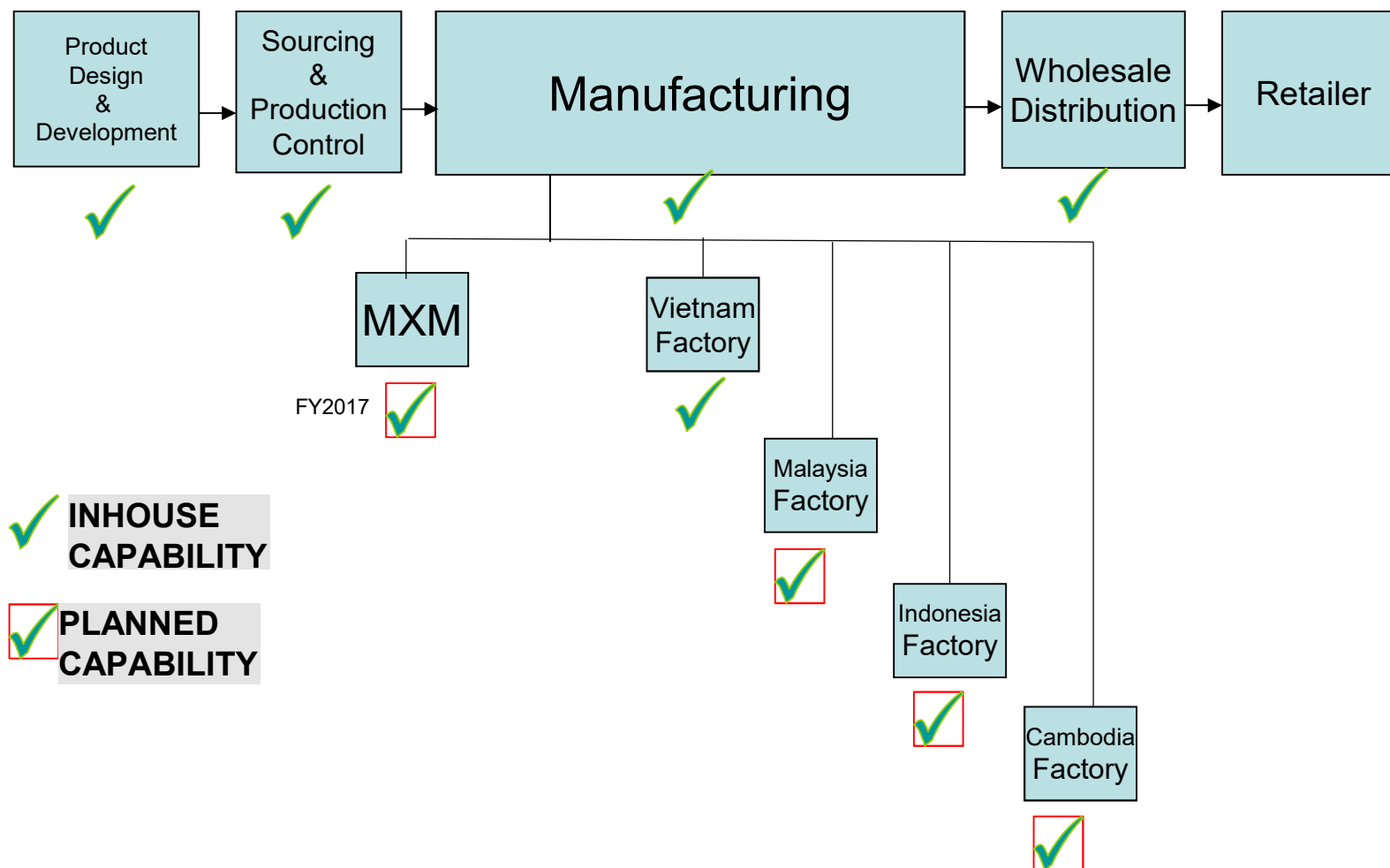


Macy	5,716,819
Walmart	6,199,617
MGF	3,628,482
LIDL	1,548,904
Aero	613,848
Others	135,747
Total	17,843,417

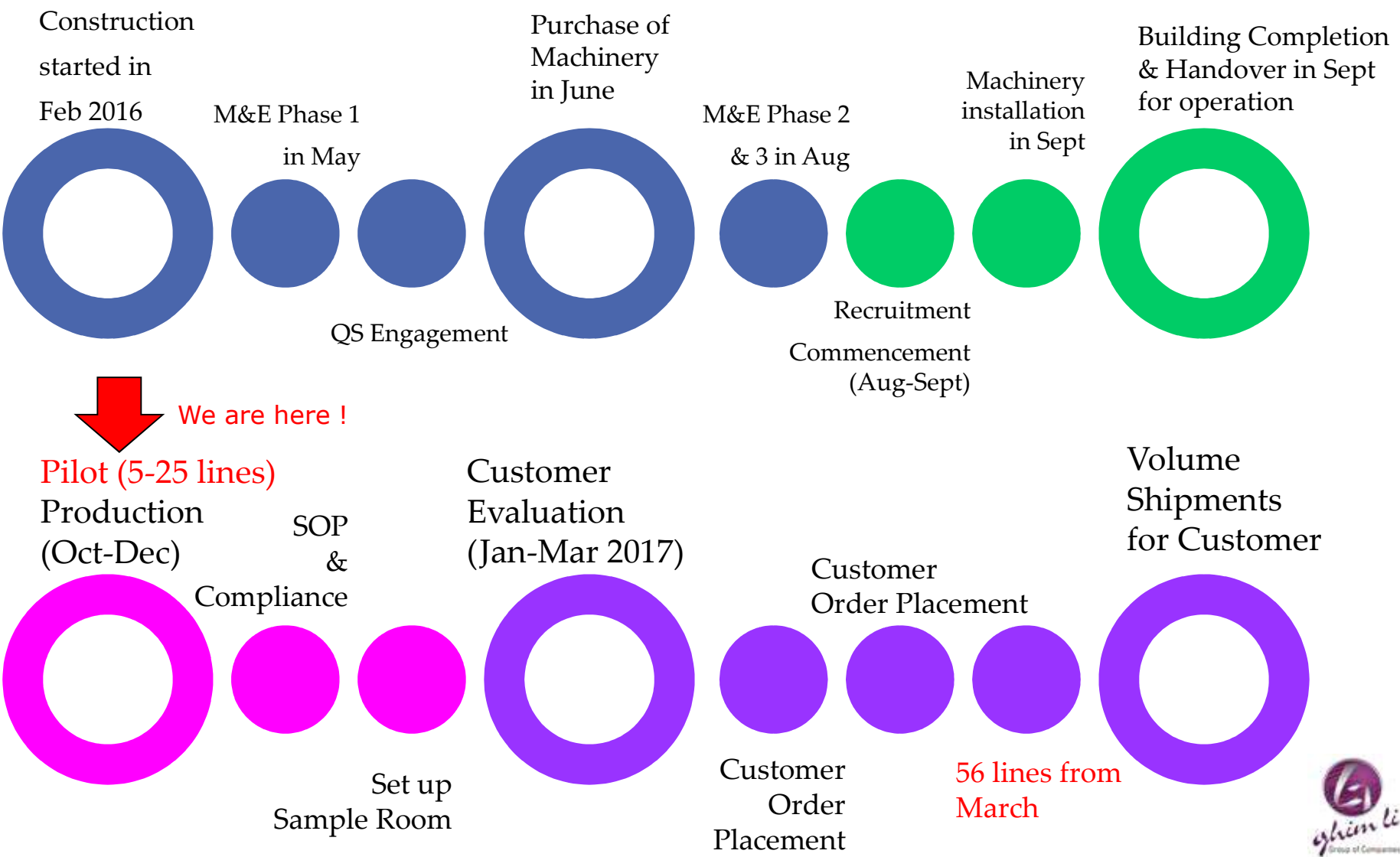
ITEM by Invoice#	Amount	Cargo receipt date	Payment due date
			90 days payment term
AEROPOSTALE PROCUREMENT COMPANY INC			
A16O042	90,138.78	26/01/16	28/4/2016
A16O043	16,254.42	26/01/16	28/4/2016
A16O097	157,167.78	29/02/16	4/6/2016
A16O115	127,196.06	29/02/16	5/6/2016
A16O119	205,126.02	29/02/16	5/6/2016
	595,883.06		
AEROPOSTALE CANADA			
A16O096	17,139.20	29/02/16	4/3/2016
Grand Total	613,022.26		

Decision: Take a 50% doubtful debt provision (US\$300K)
in FY2016 accounts

GLG Corp Ltd - Strategy Roadmap



Vietnam Investment - Milestones



Vietnam Investment – Projected Revenue

AÉROPOSTALE

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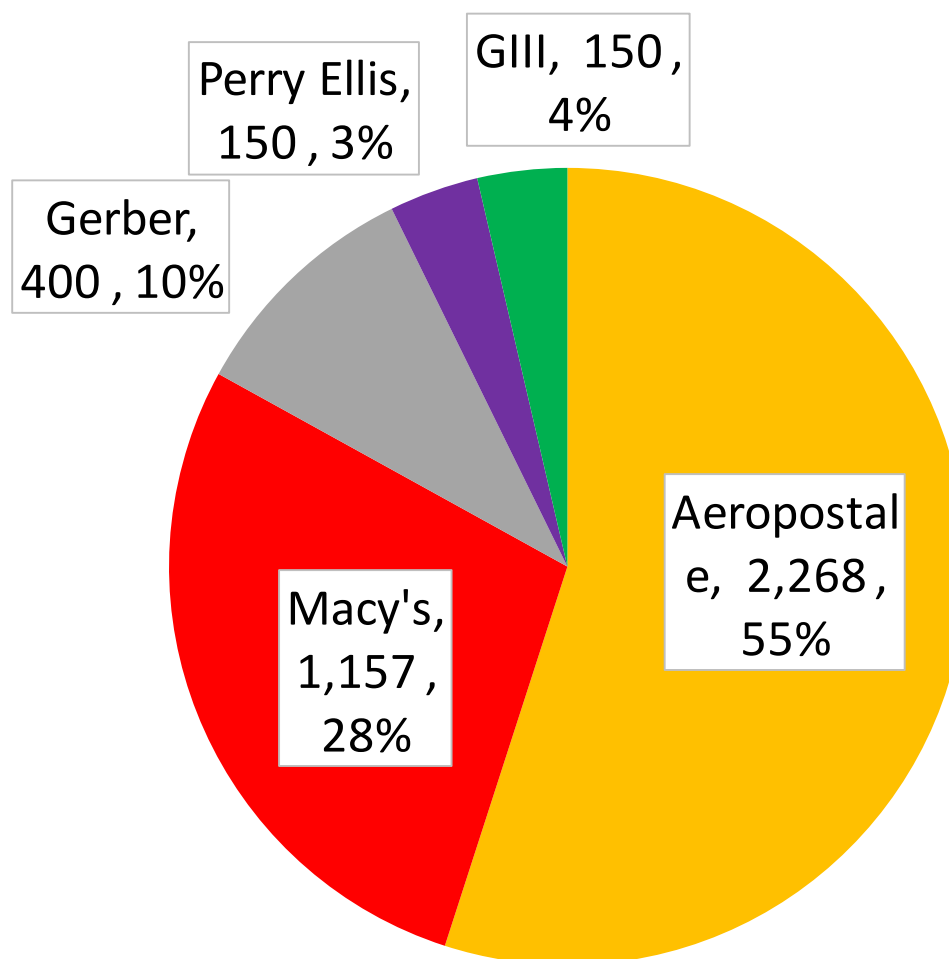


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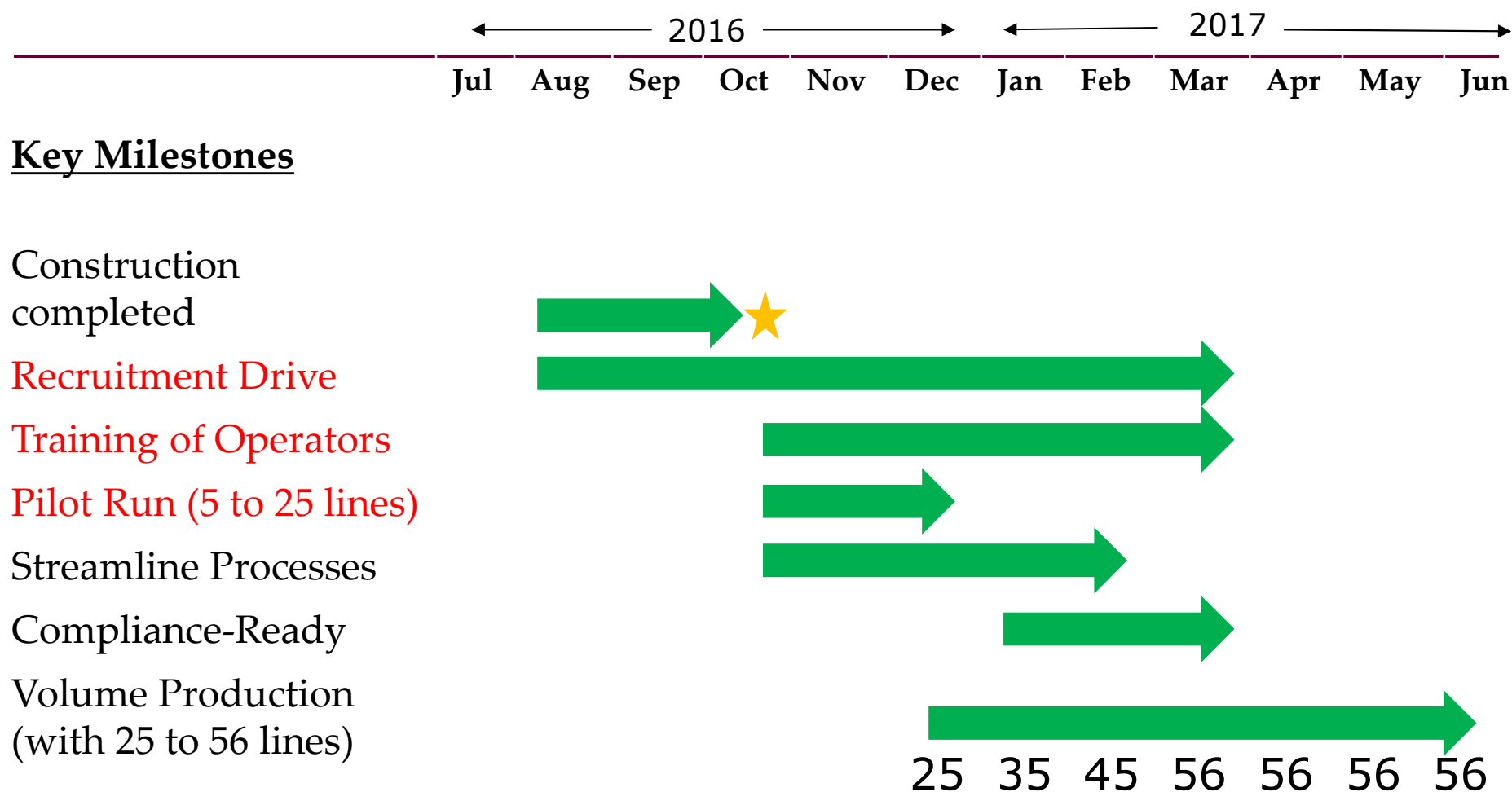
Perry Ellis



Vietnam Revenue (US\$4,125K)
Budget FY2017



Vietnam Operational Readiness Plan



★ Factory Handover from Developer