

Chair's Agenda for GLG CORP LTD 2018 AGM

**ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE
HELD
ON MONDAY 12TH NOVEMBER 2018 AT 11:00AM AEST,
LEVEL 11, 1 MARGARET STREET, SYDNEY, NSW 2000.**

Business

Responsible

Slide One

1. *Welcome*

Chair

Good morning ladies and gentlemen. It is my pleasure to welcome you to the GLG Corp Ltd 2018 Annual General Meeting. The meeting was declared open at 11:02 am.

I will now call upon the Company Secretary to advise whether the meeting has been properly constituted and that a quorum is present.

2. *Quorum*

Company Secretary

I confirm that the meeting has been properly constituted and a quorum of two or more eligible people are present and that all shareholders present have signed the attendance register, all proxies received have been inspected and all those validly lodged have been accepted.

**Chairman: Thank You, Alistair.
for business.**

I declare the meeting open

I can confirm that Proxies have been received representing 57,892,155 shares of the Company.

3. **Apologies**

Chair

Now I will call upon the Company Secretary to advise the meeting of any apologies that have been received.

Company Secretary: I note that:

- Ms Felicia Gan is unable to join us due to customer business travel commitments,
- Ms Estina Ang Suan Hong who is unable to join us also due to business travel commitments

SLIDE TWO

Slide three is a cautionary note on forward-looking statements, which comprises of a note of warning regarding forecast statements which are included in this slide pack. Although these numbers have derived from past experience, they can not be relied upon for future earnings.

SLIDE THREE

An introduction to the team of GLG. You will note that the members of the board are listed, please refer to the GLG website or Annual Report for further information regarding our board of directors and senior management.

Introductions and thank you

Chair

In attendance today from the Company we have:

Mr Christopher Chong: Non Executive Director

Mr Shane Hartwig: Non Executive Director

Mr Shawn Fung: CFO

Company Secretary: Mr Alistair Chong

SPECIAL WELCOME TO OUR AUDITORS

Mr Ryan Pollett from BDO East Coast is in attendance. BDO will be available to answer any questions that shareholders have in regard to the audited accounts.

SLIDE FOUR

During today's meeting we will cover the Director's Review of our business, the outlook and prospects, the 2018 Accounts and Reports, the Formal Resolutions that have been put before the meeting and any Other Business. It is now my pleasure to introduce to you my fellow Director and guests.

Slide Five

4. AGM Presentation Chair

Our presentation this morning will review the key highlights of the last financial year, provide an update of the recent September Quarter and the forward outlook for the company.

Slide Six

Looking at the data presented, we can see that profits are down to 2.395 million, from 4.193 million in the 2017 financial year.

This is due to start-up costs incurred of the production facilities in Vietnam and Cambodia.

Sales Revenue of USD\$180.60M was up by 16% Year On Year as result of increased orders from existing customers due to good execution.

Gross Profit of USD \$25.28M was up compared with the prior period.

Selling and Distribution costs were higher in the 2018 financial year due to the increase in customs duties and freight costs for outbound LDP shipments.

Finance costs have increased from the 2017 FY (1,215,000) to (2,077,000) 2018 FY due to LDP shipments.

Net Profit decreased by USD\$1.798M to USD\$2.395M, against a net profit of USD\$4.193M million in the previous year. This is sales turnover of 67 million garments in the past year was an amazing effort.

Slide 21 – Market Place and Outlook

Slide 22 – Marketplace Update

Our CFO noted that 2018 has been an unkind year to the U.S. Retail Industry, where it continues to see store closures and bankruptcies

As you can see, Sears Holdings filed for Chapter 11 bankruptcy, and will close 142 unprofitable Sears and Kmart stores by the end of 2018.

Traditional department stores face heavy competition from online retailers such as Amazon, although, Macy's have been expanding its store-label brands, as well as adding more technology to cater for the change in the markets general environment.

Macy's, although still profitable, has also come up with a new more affordable fashion line 'backstage'. Kohl's is now a new customer, who is into low-end niche markets, and all retailers have seen an increase in the amount of activewear sold.

Slide 23

J.Crew also announced that it plans to close 20 of its stores in 2018, after already closing 50 stores during the 2017 financial year. Although there are improvements in some sales, these are slow going, and the company are only in the beginning stages of evolving its J.Crew brand. Although they have been hit with a \$40M loss, Jim Brett (CEO) has shifted his focus to lower-end garments.

Abercrombie & Fitch also plan to close about 60 stores in the US and leases expire, and as more and more people purchase online.

After closing more than 140 stores in 2017, retailer J.C. Penney is also closing down one of its distribution centres, and 8 more stores nation-wide across the US.

A note was made regarding the potential to supply Amazon, however, it was noted that they are taking market share from many brick and mortar retail players.

Slide 24

But it is not all doom and gloom in the retail industry, as we see some macro-economic shifts in the US.

The US economy is likely to continue growing at a moderate 2 – 2.5% in the 2018 year.

This is a strength for customers as it helps with rising disposable personal income. Tax reforms also mean that there are more jobs and a stronger labour market.

Low inflation is also of a benefit to customers, and rising housing prices in the US will also put more money in people's pockets.

Slide 25

Although we see some optimism, we still urge caution.

Tariffs that have been legislated, although have not yet impacted retailers, may do so in the coming year. This is unknown territory, as Trump and Xi have supposedly made a deal, however, the extent of this deal is unknown.

Although house prices are on the rise, this will also lead to more equity being placed on mortgage, which will undoubtedly mean more Americans in debt. Both auto and credit debts have risen in the U.S.

There will be an increase in commodity prices, which will also have an on-flow effect, and the logistics and transportation business is currently seeing demand outstrip supply, which will invariably lead to a price rise. Currently, logistics demand outstrip supply, and logistics costs may rise to match the demand of the market.

Also, as long as the US dollar stays fairly strong, inflation will be inhibited in the U.S.

GLG is aiming to achieve \$200M of revenue in the next fiscal year, however, we may need to shift to doing smaller businesses as this is where the market is moving. GLG attempted to court Upside as a customer recently, however, their minimum order quantity was too low for us. It was noted that we may want to look at starting a new division which looks at smaller minimum order quantities.

Although the economic conditions are in favour to the US retail market, it is good to keep some scepticism, as this could stifle growth in the coming financial year.

Slide 26 & 27 – Accounts and Reports

LADIES AND GENTLEMEN WE WILL NOW MOVE ON TO THE FORMAL BUSINESS OF THIS MEETING:

THE NOTICE OF MEETING AND ACCOMPANYING EXPLANATORY MEMORANDUM WAS MAILED TO SHAREHOLDERS ON 11th October 2018. I PROPOSE: "THAT THE NOTICE OF MEETING, MAILED TO ALL REGISTERED MEMBERS ON 11 October 2018 BE TAKEN AS READ."

WOULD SOMEONE PLEASE SECOND THAT?

ANY DISCUSSION?

ALL THOSE IN FAVOUR PLEASE RAISE THEIR HAND.

ALL THOSE AGAINST PLEASE RAISE THEIR HAND.

I DECLARE THE MOTION CARRIED/LOST.

THE ANNUAL FINANCIAL REPORT FOR THE PERIOD ENDING 30 JUNE 2018 WAS MADE AVAILABLE TO ALL SHAREHOLDERS ON THE 11TH OCTOBER 2018.

THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 AND THE REPORTS OF THE DIRECTORS AND THE AUDITOR ARE NOW LAID BEFORE THE MEETING.

ARE THERE ANY QUESTIONS OR COMMENTS ON THE FINANCIAL STATEMENTS OR THE REPORTS OF THE DIRECTORS AND AUDITOR? No questions posed.

Slide 28– Formal Resolutions

WE WILL NOW CONSIDER THE FORMAL RESOLUTIONS

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Slide 29 – Formal Resolutions

Three resolutions will be put forward today including: the adoption of the remuneration report, the re-election of Mr Christopher Chong as Director, and the Re-appointment of the Auditor BDO.

Slide 30 – Remuneration Report

TO CONSIDER AND, IF THOUGHT FIT, TO PASS, WITH OR WITHOUT AMENDMENT, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

“THAT, FOR THE PURPOSES OF SECTION 250R(2) OF THE CORPORATIONS ACT, THE REMUNERATION REPORT AS CONTAINED IN THE DIRECTORS REPORT FOR THE YEAR ENDED 30 JUNE 2018 BE ADOPTED.”

ARE THERE ANY QUESTIONS IN RELATION TO THE REMUNERATION REPORT?

I NOTE THERE HAS BEEN PROXIES RECEIVED REPRESENTING 55,660,998 VOTES WITH: 55,638,734 VOTING FOR THE RESOLUTION; 5,566 VOTING AGAINST THE RESOLUTION; AND 16,698 OPEN VOTES.

ARE THERE ANY QUESTIONS IN RELATION TO THIS RESOLUTION?

WOULD SOMEONE CARE TO MOVE THE MOTION? Moved - Shawn Fung

WOULD SOMEONE CARE TO SECOND THE MOTION? Seconded – Christopher Chong

I NOW PUT THE MOTION – All open proxies have been allocated for the resolution.

ALL THOSE IN FAVOUR PLEASE RAISE THEIR HAND.

ALL THOSE AGAINST PLEASE RAISE THEIR HAND.

I DECLARE THE RESOLUTION CARRIED/LOST.

I WILL NOW MOVE ONTO RESOLUTION 2.

Slide 31 - Resolution 2 – Re-Election of Director Chair

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That Mr. Christopher Chong, 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”.

I note there has been proxies received representing 57,893,155 votes with:

57,759,454 voting for the resolution
8,000 open votes
14,700 voting against the resolution;
110,001 abstaining;

Are there any Questions in relation to this resolution? No questions posed

I will move the motion.

Would someone care to second the motion? – moved Shawn Fung

I now put the motion and allocate the open votes to for the resolution.

All those in favour please raise their hand.

All those against please raise their hand.

I declare the resolution carried/~~lost~~.

Slide 32 - Resolution 3 - Re-Appointment of BDO as Auditor - Chair

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

Re-appointment of BDO as Auditor:

The board puts forward the re-appointment of BDO as the auditor for the 2019 financial year

The votes that were obtained totalled: 57,893,155

For Votes: 57,871,998

Open Votes: 8,000

Against: 12,157

Abstain: 0

Are there any Questions in relation to this resolution? No question posed

Would someone care to move the motion? Moved – Shawn Fung

Would someone care to second the motion? Seconded – Alistair Chong

I now put the motion and allocate the open votes for the resolution.

All those in favour please raise their hand.

All those against please raise their hand.

I declare the resolution carried/lost.

Slide 33 - Closure

IS THERE ANY OTHER BUSINESS THAT CAN LAWFULLY BE BROUGHT FORWARD OR ANY QUESTIONS FROM THE FLOOR?

THANK YOU

ON BEHALF OF GLG CORP LTD AND MY FELLOW DIRECTORS I SHOULD LIKE TO EXPRESS OUR SINCERE THANKS TO OUR SHAREHOLDERS, CUSTOMERS, SUPPLIERS AND EMPLOYEES FOR THEIR SUPPORT OF OUR COMPANY DURING THE PAST YEAR.

WE LOOK FORWARD TO A LONG AND FRUITFUL PARTNERSHIP WITH ALL OF THEM. I THANK MEMBERS FOR THEIR ATTENDANCE.

AS THAT CONCLUDES THE BUSINESS OF THE MEETING, I DECLARE THE FORMAL PART OF THE MEETING CLOSED.

Thank you all for your attendance, and I wish to formally conclude this meeting at 11:32am AEDST.