

Chair's Agenda for GLG CORP LTD 2019 AGM

**ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE
HELD
ON TUESDAY 26TH NOVEMBER 2019 AT 11:00AM AEST,
LEVEL 11, 1 MARGARET STREET, SYDNEY, NSW 2000.**

Business

Responsible

SLIDE 1

1. *Welcome*

Chair

Good morning ladies and gentlemen. It is my pleasure to welcome you to the GLG Corp Ltd 2019 Annual General Meeting. The meeting is now declared open at 11:00 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 under our constitution, 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
for business.**

I can confirm that Proxies have been received representing 57,811,497 of the 74,100,000 total 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 is also unable to join us also due to business travel commitments.

SLIDE 2

Slide two is a cautionary slide not 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 been derived from past experience, they can not be relied upon for future earnings.

SLIDE 3

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 Grant Hummel, Independent Director

Mr Peter Tan, Independent Director

Mr Shawn Fung, CFO

Mr Alistair Chong, Company Secretary

SPECIAL WELCOME TO OUR AUDITORS

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

SLIDE 4

During today's meeting we will cover the Director's Review of our business, the outlook and prospects, the 2019 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 5

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 6

Looking at the data presented, we can see that NPAT is down to \$455,000, from \$2.395 million in the 2018 financial year.

This is due to start-up costs incurred of the production facilities in Vietnam and Cambodia, as well as lost production and stock from a fire in our Cambodia factory.

Sales Revenue of USD\$175.70M was down from \$180.60 in 2018. This decline in sales was mainly attributed to the continued weakness in our end-customers' retail apparel market.

On a positive note, Gross Profit of USD \$27.44M was up compared with the prior period (\$25.28M) due to the Company's conscious effort to improve the mix of customers by adding new customers with higher FOB price.

Costs below GP line will be explained in detailed in Slide 10.

SLIDE 7

Here we can see the break down in revenue from our major customers, with GIII Apparel and J Crew increasing their purchases, whilst Wal-Mart USA, Aero and LIDL have decreased their purchases.

SLIDE 8

We can see here the break down in the quarterly income streams with the Q2 and Q4 being our highest revenue earners.

SLIDE 9

We can see a graphical representation of our full year performance, and although our revenue has decreased, our gross margin has risen from 14% to 16%.

SLIDE 10

Selling and Distribution costs were higher in the 2019 financial year mainly due to the incurrence of airfreight cost and raw materials delivery cost by the garment factory in Cambodia and Maxim fabric mill to meet the tight delivery dates required from customers.

Administrative expenses increased by 19.4% to US\$13,867 thousand compared to US\$11,614 thousand in the previous year. This is attributable to an increase in admin headcount in HQ coupled with an increase in costs from consolidation of garment factory in Cambodia.

Other Operating Expenses went down, from reduced legal fees and avoidance of commitment fees payable to outsourced manufacturers

Finance costs increased by 53% from US\$2,077 thousand to US\$3,178 thousand in the current year compared to previous year, due to the increase in purchase of raw materials and new machineries investment in Cambodia.

SLIDE 11

You can see on this slide that there are other highlights, where we achieved 62.7 cents per share for Net Tangible Assets per share.

Our headcount is now at 9000+ which includes our outsourced factories.

SLIDE 12

This slide shows the Q1 operational highlights, specifically, July saw our commencement of the acquisition of the Cambodian garment factory in Phnom Penh.

SLIDE 13

In Q2 operational highlights, we completed our FY2018 Annual Report publication in October. Then in November, we had the resignation of Shane Hartwig followed by appointment of Grant Hummel. We also appointed our new share registry, Boardroom Limited to replace LINK Market Services in December.

SLIDE 14

For Q3 operational highlights, the Company obtained the WeConnect Certification – linking us to some of the largest multinational buyers around the world.

SLIDE 15

Finally, for Q3 operational highlights, we had the pleasure of Ryan Pollett, BDO Audit Engagement partner visit our Singapore HQ and two of our Malaysian garment factories in May 2019.

Then in June, we received supplier recognition from Walmart as a member of Project Gigaton to reduce carbon emissions for 2019.

SLIDE 16

Moving on to Factory Highlights, starting with Maxim Malaysia, our fabric mill, we achieved an all-time high revenue record of US\$63M, as proof of our vertical-integration strategy implementation.

SLIDE 17

This slide shows our G&G Fashion Vietnam where the Board made the decision to sell this factory at the end of the fiscal year, to an external party called Dragon Crowd Garment Inc. Despite this, the factory will remain as a supplier to GLG under an outsourcing agreement to support the manufacturing needs of GLG.

SLIDE 18

Ghim Li Fashion Malaysia continued to operate as a wholly owned subsidiary of GLG with full consolidation of its operating results.

SLIDE 19

2019 also saw the successful establishment of GG Fashion Cambodia which owns and manages specific assets acquired from Ghim Li and GLIT Holdings. These assets included equipment and other fixed and intangible assets. Through this, GG Fashion became its first in house garment manufacturing factory for the group in Cambodia with operations in two leased facilities in Phnom Penh.

SLIDE 20 – Ghim Li’s Network

As you can see, our 9000+ employees are spread across 6 countries, that eventually shipped over 60.7 million garments in FY2019.

SLIDE 21 – Marketplace Update

The apparel retail industry sees more and more successful online to offline (O2O) models while continuing their physical presence and expanding their online sales. This reaffirms that physical stores are here to stay.

Ordering online but picking up in store epitomises this O2O model giving retailers the ability to maintain an ongoing dialogue with customers.

The progression through the digital transformation journey has been undertaken by some of the top retailers. This has seen them build a supply chain that allows them to link in directly with garment factories.

We also saw the trade war between the USA and China bring some major disruption to some of the larger retailers who over-relied on China for production, and are now having to shift to other countries.

SLIDE 22

The US retail industry is looking optimistic, with strong GDP growth, a low level of unemployment, high consumer confidence, high household income, low interest rates and corporate earnings in the US that continue to impress.

SLIDES 23 & 24 – 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 25th October 2019.

I PROPOSE: “THAT THE NOTICE OF MEETING, MAILED TO ALL REGISTERED MEMBERS ON 25th October 2019 BE TAKEN AS READ.”

WOULD SOMEONE PLEASE SECOND THAT?

ANY DISCUSSION?

I DECLARE THE MOTION CARRIED/LOST.

THE ANNUAL FINANCIAL REPORT FOR THE PERIOD ENDING 30 JUNE 2019 WAS MADE AVAILABLE TO ALL SHAREHOLDERS ON THE 25TH OCTOBER 2019.

THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 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?

SLIDE 25 – Resolutions

WE WILL NOW CONSIDER THE FORMAL RESOLUTIONS

SLIDE 26 – Formal Resolutions

Four resolutions will be put forward today including:

- the adoption of the remuneration report,
- the re-election of Mr. Grant Hummel as director,
- re-election of Mr. Peter Tan as director and
- re-appointment of BDO East Coast as the Auditor of the company.

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SLIDE 27 – 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 2019 BE ADOPTED.”

ARE THERE ANY QUESTIONS IN RELATION TO THE REMUNERATION REPORT?

I NOTE THERE HAS BEEN PROXIES RECEIVED REPRESENTING 57,811,497 VOTES WITH: 57,782,297 VOTING FOR THE RESOLUTION; 19,700 VOTING AGAINST THE RESOLUTION; AND 9,500 OPEN VOTES.

ARE THERE ANY QUESTIONS IN RELATION TO THIS RESOLUTION?

WOULD SOMEONE CARE TO MOVE THE MOTION?

Moved by Shawn Fung

WOULD SOMEONE CARE TO SECOND THE MOTION?

Seconded Grant Hummel

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

I DECLARE THE RESOLUTION CARRIED/~~LOST~~ BY POLL.

I WILL NOW HAND OVER TO PETER TO MOVE ONTO RESOLUTION 2.

SLIDE 28 - Resolution 2 – Re-Election of Director PETER

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

“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”.

I note there has been proxies received representing 57,811,497 shares with:

57,787,297 voting for the resolution

14,700 voting against the resolution;

0 abstaining;

9,500 open votes

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

Will someone move the motion? – moved by Shawn Fung

Would someone care to second the motion? – moved Grant Hummel

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

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

Chair

Thank you, Peter, we will now move on to the third resolution.

Slide 29 - Resolution 3 – 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. 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”.

I note there has been proxies received representing 57,811,497 votes with:

57,787,297 voting for the resolution
14,700 voting against the resolution;
0 abstaining;
9500 open votes

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

Will someone move the motion? – moved Shawn Fung

Would someone care to second the motion? – moved Grant Hummel

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

I declare the resolution carried/~~test~~by poll.

Slide 30 - Resolution 4 - Re-Appointment of BDO as Auditor

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

I note there has been proxies received representing 57,811,497 votes with:

57,787,297 voting for the resolution
14,700 voting against the resolution;
0 abstaining;
9500 open votes

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

Will someone move the motion? – moved Shawn Fung

Would someone care to second the motion? – moved Grant Hummel

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

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

Slide 31 - 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 WOULD 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 AT 11:21am AEDT.

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