

# ***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 31<sup>st</sup> December  
2020

Previous Reporting Period - Half Year Ended 31<sup>st</sup>  
December 2019

1. Highlight of Results
2. Appendix 4D Financial Statements for the Half Year ended  
31 December 2020

## 1. Results for announcement to market

Summary financial information for the company for the six months ended 31<sup>st</sup> December 2020. Full financial details are attached to this announcement.

		<b>Consolidated</b>		
<b>Summary Information</b>	<b>31 –DEC-20 USDS'000</b>	<b>31 –DEC-19 USDS'000</b>	<b>Inc/(Dec) USDS'000</b>	<b>Inc/(Dec) %</b>
Revenue from Ordinary Activities	99,450	75,159	24,291	32%
Profit/(Loss) after Tax from Ordinary Activities	1,312	374	938	251%
Net Profit/(Loss) after Tax Attributable to Members	1,312	374	938	251%
Basic Earnings – US Cents Per Share	1.77	0.50	1.27	254%
Diluted Earnings – US Cents Per Share	1.77	0.50	1.27	254%
Net Tangible Assets – US Cents Per Share	48.58	39.43	9.15	23%

<b>Dividends (Distributions)</b>	<b>As per security – US Cents</b>	<b>Unfranked amount per security-US cents</b>
Dividends Paid during Year	Nil	Nil
Proposed Ordinary Dividend	Nil	US1.0 cents
Proposed payment date for ordinary dividend	N/A	15 April 2021

## Summary commentary on results

### Directors Comments:

GLG's revenue increased by 32.3% from US\$75.2m to US\$99.5m this financial period ended 31 December 2020 ("1HFY2021"). This is mainly due to diversification of its business into manufacturing of fabric masks and direct land duties paid businesses.

The gross margin also improved from 15.2% to 19.6% in 1HFY2021 due to better product mix.

Selling and distribution costs increased by 48.6% from US\$3.3m in the previous financial period ended 31 December 2019 ("1HFY2020") to US\$4.9m in 1HFY2021. This was mainly due to duty and freight cost incurred on reinstatement of sales from postponed Land-Duty Paid customers' orders and customs duties incurred by the subsidiaries.

Administration expenses decreased by 9.3% to US\$5.6m as compared to US\$6.2m in the previous corresponding period 1HFY2020. The decrease in costs was achieved through cost reduction strategies and streamlining of manpower.

Finance costs decreased by 48.4% from US\$1.9m to US\$1.0m in 1HFY2021 compared with the previous corresponding financial period. The decrease was mainly due to lower interest rate and better cash management on invoice financing.

Other expenses increased by US\$6.2m from US\$0.6m to US\$6.8m in the 1HFY2021 compared with the previous corresponding financial period, mainly attributed to the debts written off on outsource manufacturers, write-off of old machineries and goodwill impairment .

Net profit after tax for GLG for the half year ended 31 December 2020 was US\$1.3m, which represented an increase of US\$0.9m compared to the previous financial period. Overall, the increase was mainly due to higher revenue generated and better cost control.

### Balance Sheet position

Trade and other receivables decreased by 20.5% from US\$47.1m as at 30 June 2020 to US\$37.4m as at 31 December 2020 mainly attributed to the prompt settlement of payment from customers and partial write-off debts due from outsourced manufacturer.

Inventory decreased by about 12.4% to US\$23.1m as at 31 December 2020 compared to US\$26.4m as at 30 June 2020, mainly due to provision of obsolete stock amounted to US\$4.9m.

The right-of-use assets decreased by 6.9% from US\$14.7m as at 30 June 2020 to US\$13.7m as at 31 December 2020 mainly due to the amortised value of leases recognised as non-current assets in the Group's statement of financial position as at 31 December 2020.

The intangible assets decreased by 17.9% from US\$6.4m as at 30 June 2020 to US\$5.3m as at 31 December 2020 mainly due to the goodwill impairment of US\$0.8m of a subsidiary.

Trade and others payables decreased by 32.8% from US\$25.5m as at 30 June 2020 to US\$17.1m as at 31 December 2020. This was mainly due to the of settlement of the outstanding amount for the purchase consideration payable for the acquisition of Maxim entities to Ghim Li Group Pte Ltd.

## **Directors Comments: (cont'd)**

### **Balance Sheet position (cont'd)**

Current and non-current borrowings increased by 9.1% from US\$45.4m as at 30 June 2020 to US\$49.5m as at 31 December 2020, as a result of increase in trust receipts to meet the increase orders from buyers.

### **Cash Flow**

Overall, the net cash flow generated from operating activities in 1HFY2021 was US\$25.3m, this was mainly due to higher revenue and prompt settlement from customers.

In 1HFY2021, net cash flows used in investing activities amounted to US\$2.3m was mainly due to investing new machineries in fabric factory to increase the productivity and order requirements.

Net cash used in financial activities in 1HFY2021 amounted to US\$10.1m, was mainly attributed to the repayment to Ghim Li Group Pte Ltd for the Maxim's acquisition amounted to US\$13.3m and net off against the proceeds from banks' borrowings amounted to US\$4.1m.

As a result of the above, there was a net increase of US\$12.9m in cash and cash equivalents for 1HFY2021, from a net cash surplus of US\$7.6m as at 30 June 2020 to a net cash surplus of US\$20.5m as at 31 December 2020.

We believe the cash flow from operations of GLG remains sufficient to meet our working capital requirements, capital expenditures, debt servicing and other funding requirements.

### **Dividends**

The Board has declared an ordinary dividend for the financial year ending 31 December 2020 of US1.0 cents per share (fully unfranked). The dividend is to be paid out of the profit reserve. GLG earned its income outside of Australia and therefore has no franking credits because its income is considered conduit foreign income. The declaration date is 25 February 2021. The record date for determining entitlements to the dividend is 26 March 2021 and the payment date is 15 April 2021. The financial effect of these dividends has not been brought to account in the financial statements for the half-year ended 31 December 2020 and will be recognised in the subsequent financial period.