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 31st December 2021
Previous Reporting Period - Half Year Ended 31st December 2020

1. Highlight of Results

2. Appendix 4D Financial Statements for the Half Year ended 31 December 2021

1. Results for announcement to market

Summary financial information for the company for the six months ended 31st December 2021.
Full financial details are attached to this announcement.

	Consolidated			
Summary Information	**31 –DEC-21 USD$'000**	**31 –DEC-20 USD$'000**	**Inc/(Dec) USD$'000**	**Inc/(Dec) %**
Revenue from Ordinary Activities	104,704	99,450	5,254	5.3%
Profit/(Loss) after Tax from Ordinary Activities	3,368	1,312	2,056	156.7%
Net Profit/(Loss) after Tax Attributable to Members	3,368	1,312	2,056	156.7%
Basic Earnings – US Cents Per Share	4.55	1.77	2.78	157.1%
Diluted Earnings – US Cents Per Share	4.55	1.77	2.78	157.1%
Net Tangible Assets – US Cents Per Share	55.58	49.93	5.65	11.3%

Dividends

In respect of the financial period ended 31 December 2021, the Directors do not recommend the payment of an interim dividend.

In respect of the financial year ended 30 June 2021, dividend was declared and paid as per table below.

Dividends (Distributions)	**As per security – US Cents**	**Unfranked amount per security-US cents**	**Record date**	**Payment date**
Interim ordinary unfranked dividend	1.00	1.00	26 March 2021	15 April 2021
Proposed Final ordinary unfranked Dividend	1.00	1.00	20 September 2021	18 October 2021
Total unfranked dividend	2.00	2.00		

The financial effect of the final ordinary unfranked dividends was not bought to account in the financial statements for the year ended 30 June 2021 and subsequently recognised in financial period ended 31 December 2021 ("1HY2022").

Summary commentary on results

Directors Comments:

GLG's revenue increased by 5.3% from US$99.5m to US$104.7m during the financial period ended 31 December 2021 ("1HFY2022"). This was mainly contribution from direct land duties paid businesses.

The gross profit margin also improved from 19.6% to 21.4% in 1HFY2022 due to better product mix.

Selling and distribution costs increased by 133.3% from US$4.8m to US$11.3m as compared to the previous financial period ended 31 December 2020 ("1HFY2021"). This was mainly due to duty and freight cost incurred on Land-Duty Paid customers' orders and global freight rates spiked over the period as a flow on impact from COVID affecting global supply chains.

Finance costs decreased by 25.9% from US$1.0m to US$0.7m in 1HFY2022 as compared to the previous corresponding financial period. The decrease was mainly due to decrease in the loan interest and lease interest on right of use assets.

Other expenses decreased by US$6.2m from US$6.8m to US$0.6m in the 1HFY2022 as compared to the previous corresponding financial period. The decrease was mainly due to the write off of assets and receivable from an outsourced manufacturer of US$1.4m and US$3.5m respectively and the impairment of goodwill of US$840K in the corresponding financial period.

GLG's net profit after tax for the half year ended 31 December 2021 amounted to US$3.4m, which was an increase of US$2.1m from US$1.3m in the corresponding period. Overall, the increase in net profit after tax was mainly due to higher gross margin, offset with the increase in the duty and freight expenses in the current period and benefiting from the reduction in other expenses when compared to corresponding period.

Balance Sheet position

Trade and other receivables increased by 33.2% from US$34m as at 30 June 2021 to US$45.2m as at 31 December 2021 mainly attributed by high revenue generated during the financial period.

Inventory increased by 15.2% to US$39.6m as at 31 December 2021 as compared to US$34.3m as at 30 June 2021. This was mainly attributed to an increase in the inventory of raw materials in the factories arising from yarn price increase and the need to purchase yarn and fabric in advance to meet the deliveries of customers' orders amidst yarn price increases and sporadic country lockdowns affecting supply chain.

The right-of-use assets decreased by 4.4% from US$12.7m as at 30 June 2021 to US$12.2m as at 31 December 2021 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 2021.

The intangible assets decreased by 6.1% from US$5m as at 30 June 2021 to US$4.7m as at 31 December 2021 mainly due to the amortised value of intangible assets.

Directors Comments: (cont'd)

Balance Sheet position (cont'd)

Trade and other payables increased by 14.3% from US$24.1m as at 30 June 2021 to US$27.5m as at 31 December 2021, resulted from increase in purchases of raw materials in advance for future production.

Current and non-current borrowings increased by 2.5% from US$54.3m as at 30 June 2021 to US$55.6m as at 31 December 2021, as a result of increase in trust receipts to meet the increase orders from buyers.

Cash Flow

In 1HFY2022, net cash flow from operating activities decreased from net cash provided of $25.3m in respect of the 31 December 2020 period to a net cash flow used of $8.5m in respect of the 31 December 2021 period. This movement was mainly due to the settlement of outstanding balances to suppliers and advances given to outsourced manufacturing suppliers to meet the higher revenue demands and advance purchases of raw materials for future production given pressures placed on global supply chains from COVID.

Net cash flows used in investing activities amounted to US$0.7m as compared to previous corresponding financial period of US$2.4m, mainly due to investment in new machineries in fabric factory to increase the productivity and order requirements.

There was an improvement in net cash from financing activities in 1HFY2022 of US$0.7m compared to net cash used of US$10.4m. This was mainly due to deduction on settlement to Ghim Li Group Pte Ltd compared to 1HFY2021 that was full repayment for the acquisition of Maxim Textile Technology Pte Ltd and Maxim Textile Technology Sdn Bhd amounted to US$13.3m.

As a result of the above, there was a net decrease of US$8.5m in cash and cash equivalents for 1HFY2022, from a net cash surplus of US$22.3m as at 30 June 2021 to a net cash surplus of US$13.8m as at 31 December 2021.

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.

GLG Corp Ltd

ACN 116 632 958

Financial report for the half-year ended 31 December 2021

Financial report for the half-year ended 31 December 2021

Directors' report

The Directors of GLG Corp Ltd ("GLG") submit herewith the financial report of GLG Corp Ltd and its subsidiaries for the half-year ended 31 December 2021. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

The names of the directors of the company during or since the end of the half-year are:

Estina Ang Suan Hong	Executive Chairman and Chief Executive Officer
Peter Tan	Lead Independent Director
Grant Hummel	Independent Director
Felicia Gan Peiling	Chief Executive Officer

Review of operations

Review of operations

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Finance costs decreased by 25.9% from US$1.0m to US$0.7m in 1HFY2022 as compared to the previous corresponding financial period. The decrease was mainly due to decrease in the loan interest and lease interest on right of use assets.

Other expenses decreased by US$6.2m from US$6.8m to US$0.6m in the 1HFY2022 as compared to the previous corresponding financial period. The decrease was mainly due to the write off of assets and receivable from an outsourced manufacturer of US$1.4m and US$3.5m respectively and the impairment of goodwill of US$840K in the corresponding financial period.

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Directors' report (cont'd)

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The right-of-use assets decreased by 4.4% from US$12.7m as at 30 June 2021 to US$12.2m as at 31 December 2021 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 2021.

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Auditor's independence declaration

The auditor's independence declaration is included on page 7 of the half-year report.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half year.

Rounding off of amounts

The consolidated entity satisfies the requirements of ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission in relation to rounding of amounts in the directors' report and the financial statements to the nearest thousand dollars, unless otherwise indicated. Amounts have been rounded off in the directors' report and financial statements in accordance with that Legislative Instrument.

Signed in accordance with a resolution of directors made pursuant to s.306 (3) of the *Companies Act 2001*.

On behalf of the Directors

Digitally signed by Felicia Gan
Date: 2022.02.25 09:17:48 +08'00'

Felicia Gan
CEO
Singapore
25th February 2022

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Australia

DECLARATION OF INDEPENDENCE BY STEVE MAY TO THE DIRECTORS OF GLG CORP LIMITED

As lead auditor for the review of GLG Corp Ltd for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of GLG Corp Ltd and the entities it controlled during the period.

Stephen May
Director

BDO

BDO Audit Pty Ltd

Sydney, 25 February 2022

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of GLG Corp Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of GLG Corp Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO

BDO Audit Pty Ltd

Stephen May
Director

Sydney, 25 February 2022

Directors' declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Digitally signed by Felicia Gan
Date: 2022.02.25 10:18:19 +08'00'

Felicia Gan
CEO
Singapore
25th February 2022

Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2021

	Note	Consolidated Half-year ended 31 Dec 2021 US$'000	Consolidated Half-year ended 31 Dec 2020 US$'000
Continuing Operations			
Revenue	2	104,704	99,450
Cost of sales		(82,336)	(79,913)
Gross profit		**22,368**	**19,537**
Other income		232	1,131
Selling and distribution expenses		(11,321)	(4,852)
Administration expenses		(5,750)	(5,636)
Finance costs		(727)	(981)
Other expenses	3	(556)	(6,755)
Profit before income tax expense		**4,246**	**2,444**
Income tax (expense)/ benefit		(878)	(1,132)
Profit for the period		**3,368**	**1,312**
Other comprehensive income:		-	-
Total comprehensive income for the period		**3,368**	**1,312**
Earnings per share:			
From continuing operations:			
Basic (cents per share)		4.55	1.77
Diluted (cents per share)		4.55	1.77

Notes to the financial statements are included on pages 15 to 24

Consolidated statement of financial position as at 31 December 2021

	Note	Consolidated 31 Dec 2021 US$'000	Consolidated 30 Jun 2021 US$'000
Current assets			
Cash and cash equivalents		13,770	22,280
Trade and other receivables	4	45,235	33,966
Inventory		39,560	34,338
Other assets		2,377	1,671
Total current assets		**100,942**	**92,255**
Non-current assets			
Other financial assets		8,871	8,871
Property, plant and equipment	8	31,444	32,296
Right-of-use assets		12,189	12,746
Intangible assets	9	4,662	4,963
Total non-current assets		**57,166**	**58,876**
Total assets		**158,108**	**151,131**
Current liabilities			
Trade and other payables	10	27,500	24,070
Borrowings	5	51,980	49,621
Lease liabilities		2,206	1,981
Current tax liabilities		700	635
Total current liabilities		**82,386**	**76,307**
Non-current liabilities			
Borrowings	5	3,618	4,646
Lease liabilities		10,982	11,683
Deferred tax liabilities		3,089	3,089
Total non-current liabilities		**17,689**	**19,418**
Total liabilities		**100,075**	**95,725**
Net assets		**58,033**	**55,406**
Equity			
Issued capital		10,322	10,322
Revaluation reserves		3,745	3,745
Merger reserves		(14,812)	(14,812)
Retained earnings		58,778	56,151
Total equity		**58,033**	**55,406**

Notes to the financial statements are included on pages 15 to 24

Consolidated statement of changes in equity for the half-year ended 31 December 2021

	Issued Capital US$'000	Asset Revaluation Reserve US$'000	Merger Reserve US$'000	Retained Profits US$'000	Total US$'000
Consolidated					
Balance as at 1 July 2020	10,322	3,478	(14,812)	54,631	53,619
Profit after income tax expense	-	-	-	1,312	1,312
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half- year	-	-	-	1,312	1,312
Balance as at 31 December 2020	**10,322**	**3,478**	**(14,812)**	**55,943**	**54,931**
Balance as at 1 July 2021	10,322	3,745	(14,812)	56,151	55,406
Profit after income tax expense	-	-	-	3,368	3,368
Dividend declared	-	-	-	(741)	(741)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half- year	-	-	-	2,627	2,627
Balance as at 31 December 2021	**10,322**	**3,745**	**(14,812)**	**58,778**	**58,033**

Notes to the financial statements are included on pages 15 to 24

Consolidated statement of cash flows for the half-year ended 31 December 2021

	Consolidated	
	Half-year ended	
	31 Dec 2021 US$'000	31 Dec 2020 US$'000
Cash flows from operating activities		
Receipts from customers	95,230	101,047
Payments to suppliers and employees	(100,790)	(81,028)
(Payment to)/ Proceeds from outsourced manufacturing suppliers	(1,550)	3,523
Interest and other costs of finance paid	(293)	(498)
Interest paid to lease liabilities	(271)	(321)
Interest received	7	18
Income tax paid	(812)	(588)
Net cash (used in)/ provided by operating activities	**(8,479)**	**25,271**
Cash flows from investing activities		
Purchase of property, plant and equipment	(756)	(2,352)
Proceeds from sale of property, plant and equipment	8	21
Net cash used in investing activities	**(748)**	**(2,331)**
Cash flows from financing activities		
Dividend paid	(730)	-
Proceeds from / (Repayments to) borrowings	1,330	4,137
Repayments of lease liability	(1,076)	(936)
Proceeds from / (Repayments to) Ghim Li Group	1,193	(13,257)
Net cash from / (used in) financing activities	**717**	**(10,412)**
Net (decrease) / increase in cash and cash equivalents	**(8,510)**	**12,884**
Cash and cash equivalents at the beginning of the financial period	22,280	7,614
Cash and cash equivalents at the end of the financial period	**13,770**	**20,498**

Notes to the financial statements are included on pages 15 to 24

Notes to the consolidated financial statements

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in United States dollars, unless otherwise noted.

The consolidated entity satisfies the requirements of ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission in relation to rounding of amounts in the directors' report and the financial statements to the nearest thousand dollars, unless otherwise indicated. Amounts have been rounded off in the directors' report and financial statements in accordance with that Legislative Instrument.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2021 annual financial report for the financial year ended 30 June 2021, except for the impact of the new and revised Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

1. Significant accounting policies (cont'd)

Fair value measurement (cont'd)

Fair value hierarchy
The following details the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Assets and liabilities measured at fair value include:

- Freehold and leasehold land and buildings - Level 3 – refer to Note 8 for further details

There were no transfers between levels during the period.

Valuations of land and buildings and investment properties
Freehold and leasehold land and building, along with investment properties have been valued based on similar assets, location and market conditions at fair value on an annual basis.

New accounting standards and interpretations

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

Any new, revised or amending accounting standards or interpretations that are not yet mandatory have not been early adopted.

2. Segment information

Identification of reportable operating segments
The consolidated entity is organised into two operating segments: fabric and garments. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The directors' review EBIT (earnings before interest and tax). The accounting policies adopted for internal reporting to the directors are consistent with those adopted in the financial statements.

The information reported to the directors is on at least a monthly basis.

Types of products and services
The principal products and services of each of these operating segments are as follows:

Fabric manufacturing	the manufacture and wholesaling of fabric
Garment	the manufacturing and wholesaling of garments

Intersegment transactions

Intersegment transactions were made at market rates. The garment retailing operating segment purchases fabric from the fabric manufacturing operating segment. Intersegment transactions are eliminated on consolidation.

2. Segment information (cont'd)

Operating segment information

Consolidated – 31 December 2021	Fabric manufacturing US$'000	Garment US$'000	Intersegment eliminations US$'000	Total US$'000
Revenue				
Sales to external customers	183	104,521	-	104,704
Intersegment sales	36,702	-	(36,702)	-
Total revenue	36,885	104,521	(36,702)	104,704
Interest received	5	2	-	7
Depreciation and amortisation	(1,224)	(1,946)	117	(3,053)
EBIT	**2,015**	**2,958**	**-**	**4,973**
Finance costs				(727)
Profit before income tax expense				**4,246**
Income tax expense				(878)
Profit after income tax expense				**3,368**

Operating segment information

Consolidated – 31 December 2020	Fabric manufacturing US$'000	Garment US$'000	Intersegment eliminations US$'000	Total US$'000
Revenue				
Sales to external customers	332	99,118	-	99,450
Intersegment sales	33,945	-	(33,945)	-
Total revenue	34,277	99,118	(33,945)	99,450
Interest received	-	18	-	18
Depreciation and amortisation	(1,179)	(1,814)	-	(2,993)
Provision for stock obsolescence	-	(4,934)	-	(4,934)
Impairment loss on receivables	(75)	(5,050)	1,550	(3,575)
Impairment on goodwill	-	(841)	-	(841)
EBIT	**1,647**	**2,607**	**(828)**	**3,425**
Finance costs				(981)
Profit before income tax expense				**2,444**
Income tax expense				(1,132)
Profit after income tax expense				**1,312**

2. Segment information (cont'd)

Revenue attributable to external customers is disclosed below, based on the location of the external customer:

	Fabric	
	31 December 2021 US$'000	**31 December 2020 US$'000**
India	121	237
Malaysia	62	60
Singapore	-	35
	183	**332**

	Garments	
	31 December 2021 US$'000	**31 December 2020 US$'000**
Cambodia	254	-
Canada	21,160	13,614
Europe	178	403
Hong Kong	-	288
Indonesia	9	18
Japan	-	22
Malaysia	13	18
Others	3	-
Singapore	68	21,060
Taiwan	12	84
USA	82,824	63,611
	104,521	**99,118**

Disaggregation of revenue

Revenue is disaggregated by the country in which the customer is located as this depicts how the nature, amount, and timing and uncertainty of our revenue and cash flows as affected by economic factors.

3. Other expenses

	31 December 2021	31 December 2020
	US$'000	US$'000
Bad and doubtful debts	-	75
Bad debts from outsourced manufacturer	-	3,500
Impairment of goodwill	-	841
Loss on disposal of fixed assets	6	1,458
Other	550	881
	556	**6,755**

4. Trade and other receivables

Trade receivables are net trade receivables. The reconciliation between gross and net receivables is set out below:

As at	31 December 2021	30 June 2021
	US$'000	US$'000
Trade receivables		
Trade customers	22,880	13,330
GLIT Holdings	4,763	5,056
Outsourced manufacturing suppliers	15,623	14,163
Trade receivables	**43,266**	**32,549**
Other receivables		
Other receivables	1,564	1,415
Goods and services tax recoverable	477	457
Other receivables	**2,041**	**1,872**
Less:		
Payable to outsourced manufacturing suppliers	(72)	(455)
	45,235	**33,966**
Total Trade and other receivables	**45,235**	**33,966**

5. Borrowings

As at	31 December 2021	30 June 2021
	US$'000	US$'000
Current		
Trust receipts (Gross) (i)	49,052	47,710
Bills payable (Gross)	1,001	-
Finance lease liabilities	44	47
Bank Loan (ii)	926	620
Term Loan	957	1,244
Total current borrowings	**51,980**	**49,621**
Non-current		
Finance lease liabilities	66	91
Bank Loan (ii)	2,631	3,099
Term Loan	921	1,456
Total non-current borrowings	**3,618**	**4,646**
Disclosed in the financial statements as:		
Current borrowings	51,980	49,621
Non-current borrowings	3,618	4,646
Total borrowings	**55,598**	**54,267**

(i) Secured by a negative pledge over all assets of Ghim Li Global Pte Ltd, some of which are also secured by a corporate guarantee from Ghim Li Group Pte Ltd.

(ii) The bank loan, denominated in Singapore dollar was carried at fixed rate and was repayable over 5 years in 60 instalments from November 2020 to October 2025.

Banking relationship: GLG uses bank facilities to support the working capital requirement of its operations. Presently, the bank facilities provided to GLG are uncommitted short term trade financing facilities which are renewable annually by the banks and long term financing facilities.

At 31 December 2021, GLG Corp Ltd had short term financing facilities available of US$98.9m, long-term financing facilities available of US$3.7m and foreign exchange available of US$19.0m. (Short term: US$64.4m was used and US$34.5m was unused. Long-term: US$1.9m was used and US$1.8m was unused. Foreign exchange of US$19.0m was unused). Compared with US$142.8m of short term financing facilities, long-term financing facilities available of US$6.1m and foreign exchange available of US$18.6m as at 30 June 2021. (Short term: US$60.4m was used and US$82.4m was unused. Long-term: US$2.7m was used and US$3.4m was unused. Foreign exchange of US$3.1m was used and US$15.5m was unused). GLG believe that it will continue to have the strong support from main bankers for its working capital and capital expenditure requirements.

The facilities used are inclusive of the contingent liabilities as disclosed in Note 6.

6. Contingent Liabilities

	31 December 2021	30 June 2021
	US$'000	US$'000
Guarantees arising from letters of credit in force (i)	9,667	8,161
Total	9,667	8,161

(i) As a result of the Group's letter of credit issued by banks for purchase of goods has arisen the contingent liabilities.

7. Subsequent Events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of the consolidated entity in future financial year.

8. Non-current assets – property, plant and machinery

Assets measured at fair value include:

- Freehold and leasehold land and buildings - Level 3
- Freehold and leasehold land and buildings of the Company were revalued on 30 June 2021 by One Asia Property Consultants (KL) Sdn. Bhd, an external, independent and registered valuer. The comparison method was adopted in arriving at the market value of the freehold and leasehold land and buildings. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique as compared with previous financial year and revaluations are done on an annual basis.

  Freehold and leasehold land and buildings at valuation are categorised as Level 3 fair value, which has been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input to this valuation approach is price per square foot of comparable properties.

8. Non-current assets – property, plant and machinery (cont'd)

	At Valuation			At Cost				
Cost	**Freehold land and buildings**	**Leasehold land and buildings**	**Sub-total**	**Plant and machinery**	**Renovation**	**Other assets**	**Motor vehicles**	**Total**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance as at 1 July 2021	5,326	9,695	15,021	28,240	4,347	3,862	720	52,190
Additions	-	-	-	689	48	19	-	756
Disposal	-	-	-	(22)	-	-	-	(22)
Cost as at 31 December 2021	**5,326**	**9,695**	**15,021**	**28,907**	**4,395**	**3,881**	**720**	**52,924**
Accumulated depreciation								
Balance as at 1 July 2021	-	-	-	12,488	3,622	3,203	581	19,894
Depreciation expenses	-	-	-	1,299	161	103	31	1,594
Disposal	-	-	-	(8)	-	-	-	(8)
Accumulated depreciation as at 31 December 2021	-	-	-	**13,779**	**3,783**	**3,306**	**612**	**21,480**
Net book value								
As at 30 June 2021	**5,326**	**9,695**	**15,021**	**15,752**	**725**	**659**	**139**	**32,296**
As at 31 December 2021	**5,326**	**9,695**	**15,021**	**15,128**	**612**	**575**	**108**	**31,444**

Other assets comprise of computers, furniture and fittings, hostel and office equipment

9. Intangible Assets

	Consolidated				
Cost	**Software**	**Goodwill**	**Trademark & customers network**	**Others**	**Total**
	US$'000	US$'000	US$'000	US$'000	US$'000
Balance as at 1 July 2021	**2,153**	**1,841**	**2,518**	**407**	**6,919**
Additions	-	-	-	-	-
Balance as at 31 December 2021	**2,153**	**1,841**	**2,518**	**407**	**6,919**
Accumulated Amortisation					
Balance as at 1 July 2021	**339**	**841**	**504**	**272**	**1,956**
Amortisation	107	-	126	68	301
Impairment	-	-	-	-	-
Balance as at 31 December 2021	**446**	**841**	**630**	**340**	**2,257**
Net book value					
As at 30 June 2021	**1,814**	**1,000**	**2,014**	**135**	**4,963**
As at 31 December 2021	**1,707**	**1,000**	**1,888**	**67**	**4,662**

Software
Computer software is stated as intangible assets in the statement of financial position and amortised on the straight-line method over 3 -10 years.

Goodwill – recognition and measurement

All business combinations are accounted for by applying the acquisition method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired and has an indefinite useful life. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is assessed as part of the Ghim Li Fashion (M) Sdn Bhd CGU. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment.

Trademark and customers network
Trademark and customers network are stated as intangible assets in the statement of financial position and amortised on the straight-line method over 10 years.

10. Trade and other payables

As at	31 December 2021	30 June 2021
	US$'000	US$'000
Trade payables (i)	15,351	13,983
Other payables	3,236	3,394
Ghim Li Group (ii)	3,444	2,251
Accruals	5,469	4,442
Total Trade and other payables	**27,500**	**24,070**

(i) The average credit period on purchases of certain goods is 4 months. No interest is charged on the outstanding balance of trade payables. GLG has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

(ii) Current payable due to Ghim Li Group Pte Ltd of US$3.4m comprises of $3.0m owing by Ghim Li Global Pte Ltd and $0.4m owing by Maxim MY.

11. Related party transactions

Transactions with other related parties

During the year, GLG entities entered into the following expenditure transactions with related parties that are not members of GLG:

	Transaction with Ghim Li Group Pte Ltd (majority shareholder)	
	31 Dec 2021 US$'000	**31 Dec 2020 US$'000**
Rental	728	728
Utilities	20	23
	748	**751**

No amounts were provided for doubtful debts relating to debts due from related parties at reporting date. Amounts payable to these related parties are disclosed in note 10 to the financial statements.

12. Impact of novel coronavirus ("COVID-19") on the Company's operations

Since the outbreak of the novel coronavirus ("COVID-19") pandemic in early 2020, governments around the world have implemented measures of restricting movement of the general public, in an attempt to control the spread of the virus. The main operational jurisdictions of the Company were affected as well, and the Company's operations were disrupted as there were manpower and logistic supply disruption.

As conditions improved due to the roll-out of vaccines globally, governments worldwide continues to exercise caution. The extent of the effect of the various restrictions and other precautionary measures on the jurisdictions where the Company operates may continue to affect the Company's operations and financial performance. It is unpracticable for the management to estimate the extent of financial impact of these restriction in the next 12 months