GLG Corp Ltd

ACN 116 632 958

PRELIMINARY FINAL REPORT

YEAR ENDED 30 JUNE 2026

1. Highlight of Results

2. Appendix 4E Financial Statements for the Year ended 30 June 2026

1. Results for announcement to market

Summary financial information for the consolidated entity for the 2026/2025 financial year is set out below. Full financial details are attached to this announcement.

	Consolidated			
Summary Information	**30 –JUN-26 USD$'000**	**30 –JUN-25 USD$'000**	**Inc/(Dec) USD$'000**	**Inc/(Dec) %**
Revenue from Ordinary Activities	100,735	110,534	(9,799)	(8.9)
(Loss)/ profit after Tax from Ordinary Activities	(23,164)	(1,350)	21,814	1,615.9
Net (Loss)/ profit after Tax Attributable to Members	(23,164)	(1,350)	21,814	1,615.9
Basic Earnings – US Cents Per Share	(31.26)	(1.82)	29.44	1,617.6
Diluted Earnings – US Cents Per Share	(31.26)	(1.82)	29.44	1,617.6
Net Tangible Assets – US Cents Per Share	33.42	64.21	(30.79)	(48.0)

Dividends

In respect of the financial year ended 30 June 2026, the Directors do not recommend the payment of an interim/final dividend.

In respect of the financial year ended 30 June 2025, no dividend was declared.

Annual General Meeting

The Company plans to hold the 2026 Annual General Meeting on 27 November 2026. The deadline to receive director nominations is 12 October 2026.

Summary commentary on results

Directors Comments:

GLG's revenue declined by 8.9% from US$110.5m to US$100.7m during the financial year ended 30 June 2026 ("FY2026"). The decrease was mainly attributable to the challenging macroeconomic environment, including the reciprocal tariff pressures and an increasingly competitive pricing landscape. In addition, revenue from certain major customers also declined due to the loss of a product line and the Group's decision not to accept a sales order after considering the associated credit risk. This decrease was partially offset by an increase in fabric sales to external customers of US$5.3m from US$2.1m in the previous year to US$7.4m in FY2026. The increase was primarily driven by orders from new customers and reflects the Group's ongoing strategy to diversify its customer base and drive sustainable revenue growth.

Gross profit margin improved by 0.3% from 17.0% to 17.3%, driven primarily by better management of production capacity utilisation and streamlining of the production processes which enhanced overall operational efficiency.

Other income decreased by 65.7% from US$1.0m to US$0.3m in FY2026. This was mainly due to one-off items recorded in FY2025, including an insurance compensation of US$0.3m and gain of US$0.1m arising from the disposal of assets.

Selling and distribution costs declined by 6.6% from US$7.5m to US$7.0m, primarily due to a reduction in customers' Landed-Duty Paid ("LDP") orders resulting in lower logistics and distribution expenses.

Administrative expenses fell 11.3% from US$10.2m to US$9.0m, the decrease in costs was achieved through workforce rationalisation and tighter overhead controls.

Finance costs declined 7.5% from US$1.7m in the previous year to US$1.5m, reflecting slightly lower interest rate and reduced borrowings through improved cash management.

Other expenses decreased by 12.2% from US$2.1m to US$1.8m, primarily due to foreign currency gain/loss from stabilization of the US dollar against other major currencies.

The group recognised an expected credit loss ("ECL") of US$21.6m, primarily due to amounts from a key third-party outsourced manufacturer of $21.4m. The business relationship with the manufacturer was terminated on 11 August 2026. Further details are set out in Note 6 below.

As a result of the above factors, GLG recorded an increase in net loss after tax from US$1.4m in FY2025 to US$23.2m in FY2026. The wider loss was mainly due to lower revenue, additional tax expenses of US$0.3m arising from prior years' tax assessments reviewed by the tax authority, and the substantial ECL provision recognised during the year, which more than offset the improvement in gross margin.

Looking ahead to FY2027, following the termination of the outsourcing agreement with GLIT, management had actively diversified to allocate the sales orders to the component manufacturer in Cambodia, obtained a new subcontractor in Vietnam and are in process of evaluating other potential subcontractors. The group does not anticipate any disruption to customer's deliveries. The Group expects business conditions to remain challenging amid demand volatility, uncertain trading conditions and potential changes in tariff regimes. Management will continue to focus on working capital optimisation, prudent cost management and liquidity preservation, while pursuing opportunities to strengthen the Group's long-term competitiveness.

Directors Comments: (cont'd)

Balance Sheet position

Total trade and other receivables decreased by 62.3% from US$34.7m as at 30 June 2025 to US$13.1m as at 30 June 2026. The reduction was primarily attributable to the recognition of an ECL provision of US$17.6m relating to amounts due from a key outsourced manufacturer, following the Group's assessment of recoverability in light of deteriorating market conditions and developments affecting the counterparty. The business relationship with the manufacturer was terminated on 11 August 2026. Further details are set out in Note 6 below.

Inventory slightly increased by 1.2% from US$20.1m as at 30 June 2025 to US$20.3m as at 30 June 2026, reflecting continued inventory management discipline despite changes in operating conditions.

Other financial assets decreased by 99.6% from US$5.0m as at 30 June 2025 to US$0.02m as at 30 June 2026. The decrease was mainly due to the refund of a US$1.0m security deposit and the recognition of an ECL provision of US$4.0m on security deposits paid to the key outsourced manufacturer, following the termination of the arrangement and the assessment of outstanding amounts as irrecoverable.

Property, plant and equipment decreased by 2.5% from US$16.9m as at 30 June 2025 to US$16.5m as at 30 June 2026, primarily due to the depreciation of US$2.3m and partially offset by a revaluation gain of US$0.7m of land and building.

Right-of-use assets increased by 51.2% from US$1.3m as at 30 June 2025 to US$2.0m as at 30 June 2026. The increase was mainly due to the addition of new leases amounting to US$2.3m, partially offset by amortisation of US$0.9m during the financial year.

Intangible assets decreased by 22.7% from US$2.1m as at 30 June 2025 to US$1.7m as at 30 June 2026 mainly due to the amortisation.

Trade and other payables increased by 23.1% from US$10.9m as at 30 June 2025 to US$13.4m as at 30 June 2026 mainly driven by the purchase of materials to support the operation of the Group's fabric mill.

Current and non-current borrowings declined by 9.6% from US$26.1m as at 30 June 2025 to US$23.6m as at 30 June 2026, primarily due to lower trust receipts and loan repayments to financial institutions.

Retained earnings decreased by 44.6% from US$51.9m as at 30 June 2025 to US$28.8m as at 30 June 2026, primarily as a result of the loss incurred including the significant ECL provisions recognised during the year.

Meanwhile, the asset revaluation reserve increased from US$3.6m to US$4.1m over the same period. This increase was mainly driven by US$0.5m from revaluation of land and buildings.

Directors Comments: (cont'd)

Cash Flow

In FY2026, net cash flow from operating activities increased to US$8.5m, compared to the previous corresponding financial year of US$2.5m. The improvement was principally driven by stronger collections from customers, reduced settlement of outstanding payables and lower interest payments during the year.

Net cash flows used in investing activities amounted to US$338k, relating to the acquisition of property, plant and equipment, and receipt of long-term security deposits from an outsourced manufacturer.

Net cash used in financing activities amounted to US$3.3m, compared to the previous corresponding financial year of US$8.8m. The reduction was mainly due to reduced repayments of trust receipts arising from lower purchasing activities

As a result of the cash movements, cash and cash equivalents increased by US$4.3m for the financial year from US$10.4m as at 30 June 2025 to US$14.7m as at 30 June 2026.

We believe the current cash position and forecasted cash flow from continuing operations remains sufficient to meet our working capital needs, capital expenditures, debt servicing and other funding requirements.

Consolidated Statement of profit or loss and other comprehensive income for the financial year ended 30 June 2026

		Consolidated	
	Note	2026 US$'000	2025 US$'000
Revenue	5	100,735	110,534
Cost of sales		(83,285)	(91,762)
Gross profit		**17,450**	**18,772**
Other income	5	345	1,006
Distribution expenses		(6,999)	(7,494)
Administration expenses		(9,014)	(10,161)
Finance costs		(1,544)	(1,669)
Other expenses	4	(1,810)	(2,063)
Expected credit loss expense	6	(21,591)	-
Loss before income tax expense		**(23,163)**	**(1,609)**
Income tax (benefit)/ expenses		(1)	259
Loss for the year		**(23,164)**	**(1,350)**
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation surplus, on land and building, net of tax		544	769
Other comprehensive income, net of tax		**544**	**769**
Total comprehensive loss for the year		**(22,620)**	**(581)**
Earnings per share:			
Basic (cents per share)	12	(31.26)	(1.82)
Diluted (cents per share)	12	(31.26)	(1.82)

Notes to the financial statements are included on pages 11 to 33

Consolidated Statement of financial position as at 30 June 2026

	Note	Consolidated 2026 US$'000	2025 US$'000
Current assets			
Cash and cash equivalents		14,727	10,440
Trade and other receivables	6	13,074	32,193
Inventory	18	20,295	20,059
Current tax assets		123	341
Other assets		1,338	1,031
Total current assets		**49,557**	**64,064**
Non-current assets			
Other financial assets	8	21	5,000
Trade and other receivables	6	-	2,500
Intangible assets	17	1,654	2,140
Right-of-use assets	7	2,005	1,326
Property, plant and equipment	14	16,527	16,943
Total non-current assets		**20,207**	**27,909**
Total assets		**69,764**	**91,973**
Current liabilities			
Trade and other payables	9	13,366	10,862
Borrowings	10	23,455	25,921
Lease liability	7	877	1,259
Current tax liabilities		338	208
Total current liabilities		**38,036**	**38,250**
Non-current liabilities			
Borrowings	10	107	132
Lease liability	7	1,134	139
Deferred tax liabilities		2,063	2,408
Total non-current liabilities		**3,304**	**2,679**
Total liabilities		**41,340**	**40,929**
Net assets		**28,424**	**51,044**
Equity			
Issued capital	11	10,322	10,322
Revaluation reserves		4,134	3,590
Merger reserves		(14,812)	(14,812)
Retained earnings		28,780	51,944
Total equity		**28,424**	**51,044**

Notes to the financial statements are included on pages 11 to 33

Consolidated Statement of changes in equity for the financial year ended 30 June 2026

	Issued Capital	Asset Revaluation Reserve	Merger Reserve	Retained Earnings	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Consolidated					
Balance at 1 July 2024	**10,322**	**2,269**	**(14,812)**	**53,846**	**51,625**
Loss after income tax expense	-	-	-	(1,350)	(1,350)
Adjustment to the revaluation reserve from disposal of property	-	552	-	(552)	-
Other comprehensive income for the year, net of tax	-	769	-	-	**769**
Total comprehensive loss	**-**	**1,321**	**-**	**(1,902)**	**(581)**
Balance at 30 June 2025	**10,322**	**3,590**	**(14,812)**	**51,944**	**51,044**
Balance at 1 July 2025	**10,322**	**3,590**	**(14,812)**	**51,944**	**51,044**
Loss after income tax expense	-	-	-	(23,164)	(23,164)
Adjustment to the revaluation reserve from disposal of property	-	-	-	-	-
Other comprehensive income for the year, net of tax	-	544	-	-	544
Total comprehensive loss	**-**	**544**	**-**	**(23,164)**	**(22,620)**
Balance at 30 June 2026	**10,322**	**4,134**	**(14,812)**	**28,780**	**28,424**

Notes to the financial statements are included on pages 11 to 33

Consolidated Statement of cash flows for the financial year ended 30 June 2026

	Note	Consolidated 2026 US$'000	Consolidated 2025 US$'000
Cash flows from operating activities			
Receipts from customers		104,129	108,762
Payments to suppliers and employees		(95,098)	(102,831)
Payments to outsourced manufacturing suppliers		(1,053)	(1,491)
Interest income		87	81
Interest and other costs of finance paid		(1,472)	(1,584)
Interest paid on lease liabilities		(72)	(85)
Income tax paid		(170)	(260)
Net cash provided by operating activities	16	**8,457**	**2,592**
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,390)	(765)
Disposal of property, plant and equipment		73	4,830
Purchase of software		-	(2)
Security deposit refunded		1,000	-
Rental deposit (paid) / refunded		(21)	559
Net cash (used in)/ from investing activities		**(338)**	**4,622**
Cash flows from financing activities			
Repayment of borrowings		(2,491)	(6,776)
Repayments of lease liability		(993)	(2,005)
Net repayments to Ghim Li Group		138	(8)
Net cash used in financing activities		**(3,346)**	**(8,789)**
Effect of exchange rate changes on cash and cash equivalents		**(487)**	**-**
Net increase/ (decrease) in cash and cash equivalents		**4,287**	**(1,575)**
Cash and cash equivalents at the beginning of the financial year		10,440	12,015
Cash and cash equivalents at the end of the financial year		**14,727**	**10,440**

Notes to the financial statements are included on pages 11 to 33

Notes to the Appendix 4E

1. General information

GLG Corp Ltd (the Company) is a public company listed on the Australian Securities Exchange (ASX: 'GLE'), incorporated in Australia and operating in Asia.

GLG Corp Ltd's registered office and principal place of business are as follows:

Registered office	Principal place of business
Level 37, 180 George Street	15, Harvey Road,
Sydney, NSW 2000	Singapore 369930
Australia	

The entity's principal activities are the global supply of knitwear/apparel and supply chain management operation.

2. Significant accounting policies

Statement of compliance

The preliminary financial report has been prepared in accordance with Australian Accounting Standards and Interpretations as issued by the Australian Accounting Standards Board for the measurement and recognition criteria. The preliminary financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2026 and any public announcements made by the consolidated entity during the year in accordance with the continuous disclosure requirements of the Corporations Act 2001. Unless otherwise detailed in this note, accounting policies have been consistently applied by the entities in the group and are consistent with those applied in the 30 June 2025 annual 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 2026/183 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. Amounts have been rounded off in the financial statements in accordance with that Legislative Instrument.

The accounting policies and methods of computation adopted in the preparation of the preliminary financial report are consistent with those adopted and disclosed in the company's 2025 annual financial report for the financial year ended 30 June 2025, 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.

2. Significant accounting policies (cont'd)

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.

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 14 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.

2. Significant accounting policies (cont'd)

Goodwill

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.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units and is tested annually for impairment. Negative goodwill arising on an acquisition is recognized directly in the statement of profit or loss and other comprehensive income.

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 financial year ended 30 June 2026.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the entity, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements.

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The consolidated entity will adopt this standard from 1 July 2027, and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

3. 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.

3. Segment information (cont'd)

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.

Consolidated – 30 June 2026	Fabric Manufacturing US$'000	Garment US$'000	Intersegment eliminations US$'000	Total US$'000
Revenue				
Sales to external customers	7,446	93,289	-	100,735
Intersegment sales	27,155	-	(27,155)	-
Total revenue	34,601	93,289	(27,155)	100,735
Cost of sales	(34,755)	(75,417)	26,887	(83,285)
Total admin employee's benefit	(1,126)	(5,363)	-	(6,489)
Interest received	76	11	-	87
Depreciation	(1,999)	(330)	-	(2,329)
Amortisation	(239)	(1,149)	-	(1,388)
Loss on disposal PPE	(2)	(118)	-	(120)
Expected credit losses	(195)	(21,398)		(21,591)
Loss on Disposal ROU	-	(39)	-	(39)
Unrealised profit	-	-	(268)	(268)
EBIT	**(3,566)**	**(18,053)**	**-**	**(21,619)**
Finance costs				(1,544)
Loss before income tax expense				**(23,163)**
Income tax expense				(1)
Loss after income tax expenses				**(23,164)**

	Fabric Manufacturing US$'000	Garment US$'000	Corporates US$'000	Intersegment eliminations US$'000	Total US$'000
Assets	31,216	62,944	109,856	(134,252)	69,764
Liabilities	(18,474)	(31,721)	(20,510)	29,365	(41,340)

3. Segment information (cont'd)

Consolidated – 30 June 2025	Fabric Manufacturing US$'000	Garment US$'000	Intersegment eliminations US$'000	Total US$'000
Revenue				
Sales to external customers	2,146	108,388	-	110,534
Intersegment sales	30,554	-	(30,554)	-
Total revenue	32,700	108,388	(30,554)	110,534
Cost of sales	**(31,658)**	**(91,085)**	**30,981**	**(91,762)**
Total admin employees' benefit	(944)	(5,657)	-	(6,601)
Interest received	73	8	-	81
Depreciation	(1,760)	(409)	-	(2,169)
Amortisation	(216)	(2,343)	132	(2,427)
(Loss)/ Gain on disposal PPE	(88)	96	-	8
Gain on Disposal ROU	-	47	-	47
Unrealised profit	-	-	(31)	(31)
EBIT	**(1,482)**	**1,542**	**-**	**60**
Finance costs				(1,669)
Loss before income tax expense				**(1,609)**
Income tax expense				259
Loss after income tax expenses				**(1,350)**

	Fabric Manufacturing US$'000	Garment US$'000	Corporates US$'000	Intersegment eliminations US$'000	Total US$'000
Assets	32,303	81,166	113,501	(134,997)	91,973
Liabilities	(16,163)	(30,267)	(20,186)	26,137	(40,929)

3. Segment information (cont'd)

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

	Fabric	
	2026 US$'000	2025 US$'000
Cambodia	2,642	-
India	-	287
Indonesia	1,717	-
Hong Kong	-	34
Malaysia	260	2
Vietnam	2,647	1,334
Others	180	489
	7,446	**2,146**

	Garments	
	2026 US$'000	2025 US$'000
Canada	23,451	21,527
Europe	1,793	2,018
Singapore	232	521
USA	67,653	83,197
Cambodia	121	155
Malaysia	-	245
Others	39	725
	93,289	**108,388**

4. Other expenses

	2026 US$'000	2025 US$'000
Legal and professional fee	213	512
Write-off of property, plant and equipment (i)	120	-
Foreign currency loss	325	890
Other	1,152	661
	1,810	**2,063**

(i) During the year ended 30 June 2026, property, plant and equipment was written off in respect of the Cambodia US$0.1m (2025: nil) and Malaysia US$0.02m (2025:nil) factories which were identified as no longer being required to be used in the production process.

5. Revenue and other income

	Consolidated 2026 US$'000	Consolidated 2025 US$'000
Revenue from the sale of goods	100,735	110,534
Other income		
Gain on disposal of property, plant and equipment	-	8
Sample income	16	23
Interest income	87	81
Insurance compensation	-	283
Gain on termination of ROU assets	-	47
Government grants	202	202
Other	40	362
Total other income	**345**	**1,006**
	101,080	**111,540**

6. Trade and other receivables

	Consolidated 2026 US$'000	Consolidated 2025 US$'000
Current		
Trade receivables		
Trade customers	8,121	14,039
GLIT Holdings Group (i)	18,448	16,840
Less: Allowance for ECL	(14,948)	-
Trade receivables	**11,621**	**30,879**
Other receivables		
Goods and services tax recoverable	770	717
Other receivables	969	597
Less: Allowance for ECL	(143)	-
Other receivables	**1,453**	**1,314**
	13,074	**32,193**
Non-current		
GLIT Holdings Group (i)	2,500	2,500
Less: Allowance for ECL	(2,500)	-
	-	**2,500**
Total trade and other receivables	**13,074**	**34,693**

The average credit period on sales of goods and rendering of services is 75 days. No interest is charged on the trade receivables outstanding balance.

6. Trade and other receivables (cont'd)

(i) Receivables due from GLIT Holdings Group ("GLIT"), the Company's outsourced manufacturing partner, were assessed for recoverability as at 30 June 2026. Based on this assessment, the Company concluded that a US$21.4m provision for ECL should be recognised, reflecting a significant increase in GLIT's credit risk. The provision comprises US$17.4m in trade receivables and US$4m in security deposits, disclosed in Note 8.

On 11 August 2026, the Group issued a notice of termination of the existing outsourcing/manufacturing agreement dated 1 July 2023 to GLIT, giving three months' prior written notice required under the agreement, and the agreement will accordingly terminate on or about 3 November 2026. The termination forms part of an independent strategic decision aimed at improving supply chain efficiency, cost management, profitability and long-term competitiveness. Following the termination of the outsourcing agreement with GLIT, management had actively diversified to allocate the sales orders to the component manufacturer in Cambodia, obtained a new subcontractor in Vietnam and is in process of evaluating other potential subcontractors. The group does not anticipate any disruption to customer's deliveries.

Before accepting any new customers, the Group uses an external scoring system to assess the potential customer's credit quality and defines credit limits by customers. Limits and scoring attributed to customers are reviewed twice a year. 99.9% of the trade receivables that are neither past due nor impaired have the best credit scoring attributable under the external credit scoring system used by the Group.

Included in the Group's trade receivable balance are debtors with a carrying amount of nil (2025: US$0.5m) which are past due at the reporting date. There has been no significant change in credit quality and all amounts are considered recoverable. The Group does not hold any collateral over these balances.

	Consolidated	
	2026 US$'000	**2025 US$'000**
<u>Ageing of Trade Receivables (trade customers) - past due but not impaired</u>		
30 – 60 days	-	358
60 – 90 days	-	11
90 – 120 days	-	119
More than 120 days	-	14
Total	-	502
<u>Movement in the allowance for expected credit loss</u>		
Balance at the beginning of the year	-	-
Charge to profit or loss (Trade)	17,448	-
Charge to profit or loss (Non-trade)	143	
Allowance written off during the year	-	-
Balance at the end of the year	17,591	-

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Credit risk is concentrated with a few significant counterparties.

7. Right of Use and Leases

Consolidated		
	2026	2025
	US$'000	US$'000
Cost		
Balance as at 1 July	5,923	6,896
Additions	2,258	1,451
Disposal/ Modification of the terms of leases	(5,835)	(2,424)
Balance as at 30 June	**2,346**	**5,923**
Amortisation		
Balance as at 1 July	4,597	5,064
Amortisation	902	1,942
Disposal/ Modification of terms of leases	(5,158)	(2,409)
Balance as at 30 June	**341**	**4,597**
Net book value	**2,005**	**1,326**

Consolidated		
	2026	2025
	US$'000	US$'000
Lease Liability		
Balance as at 1 July	1,398	1,970
Additions	2,250	1,451
Modification/Disposal of the terms of leases	(644)	(18)
Balance as at 30 June	**3,004**	**3,403**
Repayment		
Cash payments	(1,065)	(2,090)
Interest expense	72	85
Net payments	**(993)**	**(2,005)**
Balance as at 30 June	**2,011**	**1,398**
Current lease liability	877	1,259
Non-current lease liability	1,134	139
Total lease liability	**2,011**	**1,398**

Lease	Location	Term	Interest rate
Head Office	Singapore	17 July 2025 to 18 July 2028	7.00%
Kujaya	Malaysia	3 years (1 June 2024 to 31 May 2027)	2.75%
Factory	Cambodia	3years (01 Apr 2026 to 31 Mar 2029)	8.00%

7. Right of Use and Leases (cont'd)

Accounting policies in relation to AASB 16
Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

8. Other financial assets

	Consolidated	
	2026 US$'000	**2025 US$'000**
Non-current		
Security deposit - GLIT	4,000	5,000
Expected credit losses (i)	(4,000)	-
Office rental deposit	21	-
	21	**5,000**
Disclosed in the financial statements as:		
Total non-current other financial assets	**21**	**5,000**

(i) Receivables due from GLIT Holdings Group, the Company's outsourced manufacturing partner were assessed for recoverability as at 30 June 2026 and an allowance for credit losses recognised. Refer to note 6 for detail.

9. Trade and other payables

	Consolidated	
	2026 US$'000	**2025 US$'000**
Trade payables (i)	7,914	5,848
Other payables	2,356	2,382
Ghim Li Group (ii)	146	8
Accruals	2,950	2,624
	13,366	**10,862**

(i) The average credit period on purchases of certain goods is 3 - 4 months. No interest is charged on the outstanding balance of trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

(ii) The current payable due to Ghim Li Group Pte Ltd, ultimate parent entity from Ghim Li Global of US$0.15m (2025: US$0.008m).

10. Borrowings

	Consolidated 2026 US$'000	Consolidated 2025 US$'000
Secured – at amortised cost		
Current		
Trust receipts (Gross) (i)	21,435	23,564
Bill payables (iii)	-	-
Finance lease liabilities	20	18
Bank loan (ii)	2,000	2,339
Total	**23,455**	**25,921**
Non-current		
Finance lease liabilities	107	132
Bank loan (ii)	-	-
	107	**132**
Disclosed in the financial statements as:		
Current borrowings	23,455	25,921
Non-current borrowings	107	132
	23,562	**26,053**

Summary of borrowing arrangements:

(i) Secured by negative pledge over all assets of Ghim Li Global Pte Ltd and Maxim Textile Technology Sdn Bhd. Refer to Terms & Conditions of Borrowing Balance for details.

(ii) The bank loan, denominated in United State dollar was carried at fixed rate and was repayable over 1 year in 12 instalments.

(iii) Bills Payable are amounts received from banks for discounting sales invoices billed to customers, with weighted average effective interest rate of 5.4% (2025: 6.4%) per annum.

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

The Group breached certain bank covenants due to expected credit loss ("ECL") provision recognised on the GLIT receivable, which reduced the Group's tangible net worth (TNW) below the minimum covenant thresholds required under certain banking facilities. Management has engaged with the respective banks, provided updated financial forecasts and obtained formal waiver letters, ensuring continued support from lenders and no facilities have been called up.

10. Borrowings (cont'd)

Below are the details of available facilities from banks for the respective financial year end. GLG believe that it will continue to have the support from the group's bankers for its working capital and capital expenditure requirements. The facilities used are inclusive of the contingent liabilities as disclosed in Note 13.

30 June 2026	Used US$'000	Unused US$'000	Total US$'000
Short term	26,984	30,297	57,281
Long term	2,000	1,577	3,577
Foreign exchange	1,000	16,720	17,720
Total	**29,984**	**48,594**	**78,578**

30 June 2025	Used US$'000	Unused US$'000	Total US$'000
Short term	28,796	39,255	68,051
Long term	2,340	3,587	5,927
Foreign exchange	308	17,426	17,734
Total	**31,444**	**60,268**	**91,712**

The weighted average effective interest rates for bank overdrafts, bills payable and trust receipts at the balance sheet date were as follows:

	2026	2025
Bank loans	6.8% p.a	6.05% p.a
Term loan	5.7% p.a	4.8% p.a
Bill payable	5.4% p.a	6.4% p.a
Trust receipts	5.2% p.a	6.3% p.a
Finance lease liabilities	5.2% p.a	5.2% p.a

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Terms & Conditions of Borrowing Balances:

1) Trust Receipts are denominated in USD and bear a weighted average effective interest rate of 5.2% (2025: 6.3%) per annum for a tenure of 4 months. Trust receipts are a discounted form of supplier credit. In commercial terms, they are accounts payable.

2) Bills Payable are amounts received from banks for discounting sales invoices billed to customers, with weighted average effective interest rate of 5.4% (2025: 6.4%) per annum.

11. Issued Capital

	Consolidated 2026 US$'000	2025 US$'000
74,100,000 (2025: 74,100,000) fully paid ordinary shares	**10,322**	**10,322**

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

Vote Right
The voting rights attached to each class of equity security are as follows:

Ordinary shares:
Each ordinary share is entitled to one vote when a poll is called; otherwise each member present at a meeting or by proxy has one vote on a show of hands.

	Consolidated		Consolidated	
	No. '000	2026 US$'000	No. '000	2025 US$'000
Fully paid ordinary shares				
Balance at beginning of financial year	74,100	10,322	74,100	10,322
Balance at end of financial year	**74,100**	**10,322**	**74,100**	**10,322**

12. Earnings per share

	Consolidated 2026 Cents per share	2025 Cents per share
Basic earnings per share:		
Total basic earnings per share	(31.26)	(1.82)
Diluted earnings per share:		
Total diluted earnings per share	(31.26)	(1.82)

Basic earnings per share
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2026 US$'000	2025 US$'000
Net loss	(23,164)	(1,350)
Earnings used in the calculation of basic EPS	(23,164)	(1,350)

	2026 No.'000	2025 No.'000
Weighted average number of ordinary shares for the purposes of basic earnings per share	74,100	74,100

12. Earnings per share (cont'd)

Diluted earnings per share
The earnings used in the calculation of diluted earnings per share is as follows:

	Consolidated	
	2026 US$'000	**2025 US$'000**
Net loss	(23,164)	(1,350)
Earnings used in the calculation of diluted EPS	(23,164)	(1,350)

	Consolidated	
	2026 No.'000	**2025 No.'000**
Weighted average number of ordinary shares used in the calculation of diluted EPS	74,100	74,100

13. Contingent liabilities and commitments

As at year end, the group has capital commitment of US$0.6m (2025: US$1.02m) in respect of purchase of plant and equipment.

There are no contingent liabilities at the reporting date.

14. Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are carried in the Statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Assets are pledged as security – refer further to Note 10.

Land and buildings are initially recognized at cost. Freehold land is subsequently carried at the revalued amount less accumulated impairment losses. Buildings and leasehold land are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on property, plant and equipment, including freehold buildings. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The lease period is for 50 years, ending 2050. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. The following estimated useful lives are used in the calculation of depreciation

Building on freehold land	50 years
Leasehold properties	Over term of lease
Plant and machinery	10 years
Furniture, fittings and office equipment	3-10 years
Motor vehicles	5-10 years

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 2026 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.

14. Property, plant and equipment (cont'd)

- Leasehold and leasehold land and buildings - Level 3 (cont'd)

Description	**Valuation Approach**	**Unobservable inputs**	**Range of inputs**	**Weighted average**	**Relationship of unobservable inputs to fair value**
Leasehold Property	Sales comparison	Price per square foot	RM27.86 to RM33.63 per square foot for land RM80 to RM110 per square foot for building RM = Malaysian Ringgit currency	RM28.00 to RM28.50 per square foot for land RM95 per square foot for building	The higher the price per square foot the higher the fair value

14. Property, plant and equipment (cont'd)

Consolidated								
	At Valuation			At Cost				
	Freehold land and buildings	**Leasehold land and buildings**	**Sub-total**	**Plant and machinery**	**Renovation**	**Other assets**	**Motor vehicles**	**Total**
Cost	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance as at 1 July 2024	**4,772**	**8,482**	**13,254**	**23,733**	**4,665**	**2,887**	**822**	**45,361**
Additions	-	-	-	432	138	65	269	904
Disposals and write-off (Note 4)	(4,772)	-	(4,772)	(214)	(1,785)	(736)	(271)	(7,778)
Revaluation surplus /(deficit)	-	1,013	1,013	-	-	-	-	1,013
Balance as at 30 June 2025	**-**	**9,495**	**9,495**	**23,951**	**3,018**	**2,216**	**820**	**39,500**
Additions	-	-	-	1,153	160	77	-	1,390
Disposals and write-off (Note 4)	-	-	-	(1,477)	(1,241)	(140)	(276)	(3,134)
Revaluation surplus	-	320	320	-	-	-	-	320
Balance as at 30 June 2026	**-**	**9,815**	**9,815**	**23,627**	**1,937**	**2,153**	**544**	**38,076**

14. Property, plant and equipment (cont'd)

Consolidated								
	At Valuation			At 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
Accumulated depreciation								
Balance as at 1 July 2024	**-**	**-**	**-**	**15,600**	**4,393**	**2,484**	**729**	**23,206**
Depreciation expense	-	-	-	1,870	106	136	57	2,169
Accumulated depreciation on disposals and write-off (Note 4)	-	-	-	(119)	(1,772)	(676)	(251)	(2,818)
Balance as at 30 June 2025	**-**	**-**	**-**	**17,351**	**2,727**	**1,944**	**535**	**22,557**
Depreciation expense	-	396	396	1,642	109	111	71	2,329
Accumulated depreciation on disposals and write-off (Note 4)	-	-	-	(1,284)	(1,241)	(140)	(276)	(2,941)
Revaluation surplus	-	(396)	(396)	-	-	-	-	-
Balance as at 30 June 2026	**-**	**-**	**-**	**17,709**	**1,595**	**1,915**	**330**	**21,549**
Net book value								
As at 30 June 2025	**-**	**9,495**	**9,495**	**6,600**	**291**	**272**	**285**	**16,943**
As at 30 June 2026	**-**	**9,815**	**9,815**	**5,918**	**342**	**238**	**214**	**16,527**

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

15. Subsidiaries

Name of subsidiary	Country of incorporation	Ownership interest 2026 %	Ownership interest 2025 %
Ghim Li Global Pte Ltd	Singapore	100	100
Escala Fashion Pte. Ltd.	Singapore	100	100
Ghim Li International (S) Pte Ltd	Singapore	100	100
G&G International Pte Ltd	Singapore	100	100
AES (USA) Inc	USA	100	100
Maxim Textile Technology Sdn Bhd	Malaysia	100	100
Maxim Textile Technology Pte Ltd *	Singapore	100	100
Ghim Li Fashion (M) Sdn Bhd	Malaysia	100	100
GG Fashion (Cambodia) Co., Ltd	Cambodia	100	100

* The company is in the process of deregistration subsequent to 30 June 2026.

16. Notes to the cash flow statement

Reconciliation of loss for the year to net cash flows from operating activities

	Consolidated 2026 US$'000	Consolidated 2025 US$'000
Loss for the year	(23,164)	(1,350)
Depreciation of property, plant and equipment	2,329	2,169
Amortisation of intangible assets	486	485
Amortisation of right on use assets	902	1,942
Allowance for expected credit losses – Trade receivables	17,448	-
Allowance for expected credit losses – Other financial assets	4,143	-
Unrealised profit	(268)	(31)
Gain on termination ROU assets	-	(47)
Write-off/ (Gain) on property, plant and equipment	120	(8)
Net foreign exchange gains and losses	325	-
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
(Increase)/decrease in assets:		
Inventories	32	4,373
Trade and other receivables	2,993	(2,706)
Other assets	(307)	143
Outsource to manufacturing suppliers	1,053	(1,491)
Increase/(decrease) in liabilities:		
Trade and other payables	2,362	(611)
Current tax	349	(64)
Deferred tax	(346)	(212)
Net cash provided by operating activities	**8,457**	**2,592**

17. Intangible Assets

Consolidated					
	Software	**Goodwill**	**Trademark & customers network**	**Others**	**Total**
Cost	US$'000	US$'000	US$'000	US$'000	US$'000
Balance as at 1 July 2025	**2,353**	**1,841**	**2,518**	**407**	**7,119**
Additions	-	-	-	-	-
Balance as at 30 June 2026	**2,353**	**1,841**	**2,518**	**407**	**7,119**
Accumulated Amortisation					
Balance as at 1 July 2025	**986**	**1,841**	**1,260**	**407**	**4,494**
Amortisation	233	-	252	-	485
Balance as at 30 June 2025	**1,219**	**1,841**	**1,512**	**407**	**4,979**
Amortisation	234	-	252	-	486
Balance as at 30 June 2026	**1,453**	**1,841**	**1,764**	**407**	**5,465**
Net book value					
As at 30 June 2025	**1,134**	**-**	**1,006**	**-**	**2,140**
As at 30 June 2026	**900**	**-**	**754**	**-**	**1,654**

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.

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.

18. Inventory

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, valued on a first in first out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

	Consolidated	
	2026 US$'000	2025 US$'000
Raw materials	9,593	7,994
Work in progress	5,734	5,639
Goods in transit	2,028	3,308
Consumables	11	22
Stock lot	372	233
Finished goods	2,557	2,863
Total	**20,295**	**20,059**

19. Subsequent events

Subsequent to the financial year end, the Group terminated the Outsourcing Agreement with GLIT on 11 August 2026 after serving the required three-month notice. A public announcement regarding the termination was made on 12 August 2026.

During the year, the Group identified breaches of certain bank covenants arising from the expected credit loss ("ECL") provision recognised on the GLIT receivable (refer to Note 6), which resulted in the Group's tangible net worth ("TNW") falling below the minimum covenant thresholds stipulated under certain banking facilities. The Group has since obtained formal waiver letters from the relevant banks. These waivers provide continued access to the banking facilities and support from the banks.

On 24 August 2026, the Group entered into an Option to Purchase ("OTP") for a building at a purchase consideration of US$7.4m (equivalent to approximately S$9.5m). Pursuant to the OTP, the Group paid a non-refundable option fee representing 10% of the purchase consideration on the same date. The option fee shall be forfeited if the Group does not exercise the option in accordance with the terms of the OTP. To finance the acquisition, the Group intends to obtain bank financing of up to 80% of the purchase consideration, with a loan tenor of 20 years commencing from the date of first drawdown.

There has not been any other 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.