A World of Fashion, Creativity and Value.

ghim li
Group of Companies

GLG CORP LTD
AR2007

Contents

GLG Corp is a leading global supplier of textile and apparel. We create designs that are fashion-forward and trendy, delivering value at the right price.

FINANCIAL HIGHLIGHTS

GLG believes it has built for itself a strong financial foundation from which to grow. Improvement in our internal global supply chain management processes and improved cost competitiveness of our supplier network strengthens our ability to compete in the Post Quota Era where retailers rationalise their list of suppliers.

	FY 07	FY 06	% Change
Revenue (US$ million)	220.6	197.8	11.5
Gross Profit (US$ million)	21.6	19.6	10.2
EBITA (US$ million)	10.2	11.4	(10.5)
NPAT (US$ million)	8.1	9.3	(12.9)
EPS (US cents per share)	10.89	13.85	(21.4)
NTA (US cents per share)	31.77	25.85	22.9
Shareholders' fund (US$ million)	23.5	19.8	18.7
Proposed dividend (US cents per share)	6.2	6.2	–

GLOBAL NETWORK

HEAD OFFICE

Ghim Li Global Pte Ltd
41 Changi South Ave 2
Singapore 486153

SALES OFFICE

GUATEMALA
Escala Guatemala S.A.
6a Calle 26-50 Zona 4 de
Mixco, Finca el Naranjo
Guatemala, C.A

HONG KONG
Ghim Li Global International Ltd
Rm. 1609 B-c, 16/F.,
Tower 1, 33 Canton Road,
Tsim Sha Tsui, Kowloon,
Hong Kong, China

USA
Ghim Li Enterprise (USA) Inc.
501 Seventh Ave Suite #509
New York NY10018, USA

MANUFACTURING OPERATIONS NETWORK

BRUNEI
Jati Freedom
Textile Sdn Bhd
Simpang 15 Jalan
Perusahaan, Pekan Muara,
BT 1328 Muara
Brunei Darussalam

CHINA
Ghim Hong Fashion (Guangzhou) Pte Ltd
Shi Nan Road, Tai Shi
Industrial Park,
Dongchong Town Pan Yu
District Guangzhou City,
Guangdong Province,
China. Postal Code: 511475

CAMBODIA
Ghim Li Cambodia Pte Ltd
National Road No. 4,
Ang Snoul
District, Kandal Province
Kingdom of Cambodia

GUATEMALA
Estofel, S.A.
6a Calle 26-50 Zona 4 de
Mixco
Finca el Naranjo
Guatemala, C.A

INDONESIA
Pt Ghim Li Indonesia
Tunas Industrial Estate Blok
3A - 3B, Batam Centre,
Indonesia
Postal Code: 29154

MALAYSIA
Ghim Li Fashion (M) Sdn Bhd
Simpang Renggam Lot
3433, Jalan Jelawat,
86200 Simpang Renggam,
Johor

Macap Lot 1465, KM85,
Jalan Johor, Macap,
86200 Simpang Renggam,
Johor

SINGAPORE
Maxim Textile Technology Pte Ltd
17D Joo Yee Road
Jurong Town
Singapore 619204

SRI LANKA
Ghim Li Lanka Pvt Ltd
Pinnaduwa,
Walahanduwa,
Akmeemana,
Galle, Sri Lanka

Fashion's Partner of Choice

We are the right partner for global businesses which seek quality products at the right price.

Our strengths include speed of service, from product commercialisation to quick response production. Our quality assurance policies help us to continually improve our product quality. We meet or exceed the attainment of legal compliance standards set by our customers.

Our logistic infrastructure works seamlessly with our customers' supply chain management to achieve optimum synergy. We provide the most competitive product costs to our customers through high productivity and low operating costs.

Providing All Your Fashion Solutions

As a leading supplier of casual lifestyle knitwear to major US retailers, we are an integrated one-stop service provider for the global fashion industry.

GLG has over 250 employees and a manufacturing network with a total workforce of 15,000 producing over four million dozen items of knitwear apparel each year. Our manufacturing network has 191 production lines in 16 manufacturing facilities located in Singapore, Malaysia, Indonesia, Brunei, China, Cambodia, Sri Lanka and Guatemala. GLG also has a global marketing and sales presence, with offices in Singapore, Hong Kong, New York and Guatemala.











AÉROPOSTALE
Style&co
CHARTER CLUB
ALFANI


Excellent Designs, Exclusively Yours

We help make that fashion dream real for our retail customers. We can help you spot trends to make your clothes the next hot item on the market.

We offer product innovation, which includes sourcing for new material and coming up with new, creative treatments and finishes. We help predict consumer behaviour for our retail customers by anticipating what consumers want and suggest the best designs to meet upcoming demand. Our Product Design and Development team head to fashion capitals like Milan and Paris to research the latest fashions and create the finest designs for our retail customers. We also offer Brand Specific Product Prototyping or "Sampling" Services to produce clothing that fits our retail customers' strict requirements and high standards.

More Value for Less

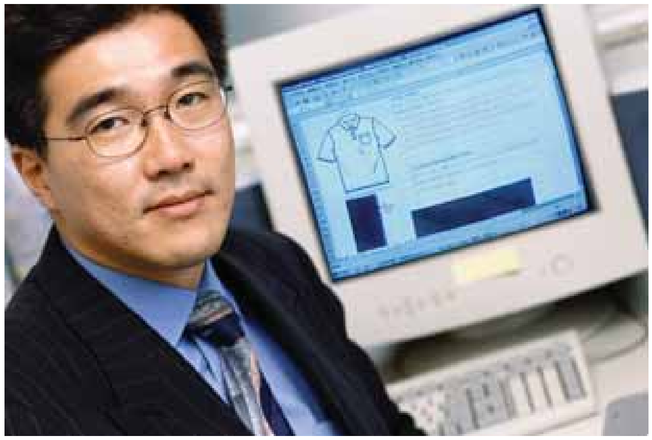
We provide trendy, quality products at competitive prices

Our Merchandising and Order Commercialisation Services enable us to provide our customers products at a competitive cost. We help our customers handle the follow up work after the order has been confirmed, which includes details like pricing and calculation of fabric and accessories consumption. We have Factory Product, Line Planning and Control Services, which enable us to minimize wastage and maximize efficiency. Our Centralised Sourcing and Procurement Services enable us to represent the factories we work with to achieve greater economies of scale, thus getting them the best value for the lowest price.

Giving You What You Need

Our extensive and strategically located manufacturing network is able to deliver on time, all the time.

We help our manufacturers market their expertise and production capacity to their customers. We promote their experience and capabilities, enabling them to acquire more business. We provide Industrial Engineering and Time Study to enable our manufacturers to run more time efficient operations. Our Container Planning and Supply Chain Management Services ensure that our manufacturers are operating at the most efficient rate.



Delivering Results All The Way

We provide On-time Delivery and Order Tracking. Our advanced RFID technology enables us to track apparel production at all stages on the production floor. We work closely with our freight forwarders and carriers to guarantee that orders are delievered on time. We design our supply chain management system to deliver optimum results, through effective planning, managing manpower resources and close tracking of orders.

Executive Chairman and Chief Executive Officer's Review

Dear Shareholders,

In recent months, the need for strict quality control and adherence to well thought design and safety specifications has come under the spotlight, with the media reporting on numerous product failures and recalls that have shocked the international retail landscape.

At GLG CORP LTD, our passion to meet and to exceed both quality and safety requirements entrusted upon us by our retail customers and consumers is well reflected in our continued growth in the past year.

Our turnover increased by 11.5% from US$197.8 Million for FY05/06 to US$220.6 Million for FY06/07.

In response to increased competition, the company will realign its business strategy to grow in its Specialty Retailers, Department Stores and National Brands categories. With 30 years of experience behind the company in manufacturing and merchandising, GLG CORP in tandem with its global production network has the honor of adding customers such as Hanesbrands, Phillips-Van Heusen, GAP, Lands' End, Bon-Ton Department Stores and Belk Department Stores to its list of clientele. GLG CORP's Product Design, Development and Sourcing division proved to be invaluable and the company exceeded the US$25Million target set for new customer growth in the past year.

We look forward to welcome Abercrombie and Fitch, Levis, New Balance and Pacific Sun-wear to this list, bringing the total growth in new customers to a targeted US$40 Million by this fiscal year.

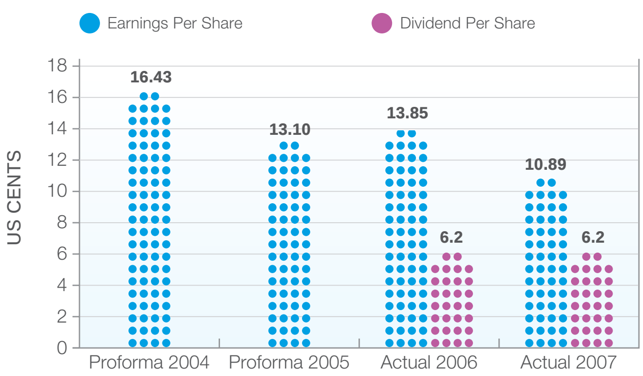
In FY06/07, there was a 12.9% fall in Net Profit After Tax from US$9.3 Million to US$8.1 Million. In anticipating the added sampling, quick turnaround time and higher value-added support requirements from our expanded clientele, GLG CORP had to enhance its sampling capabilities as well as to hire better qualified individuals to service these new customers. The rise in administrative and distribution expenses is also partly due to the weakening US currency.

In review of the company's past year's performance and despite the fall in net profits, the Group's prospects continue to remain good. My Board of Directors and I will be recommending a final unfranked dividend of US 6.2 cents per share to be paid on 31 October 2007, unchanged from the US 6.2 cents per share paid last year. Based on the share price of A$0.65 just prior to the results announcement, this implies a yield of 11.6%.

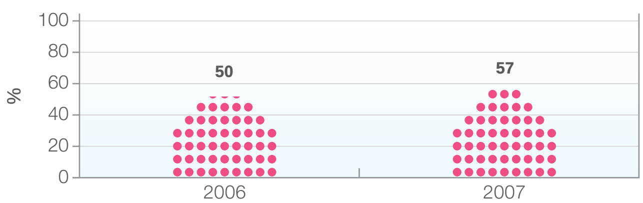
THE GLG CORP BUSINESS MODEL

We have seen the world's consumer markets driving demand for better quality goods produced in a more efficient manner. The supply chain is being internationalised, as we see inputs and resources from across multiple economies around the globe being brought together by the knowledge economy. In response to this progressive demand in the global marketplace, GLG CORP's business model has and will allow us to face both current and future challenges.

With 30 years of experience in manufacturing and merchandising, we have the scale and range to provide dedicated support services to both our customers and our manufacturing network.



DIVIDEND PAYOUT



Customer First, Always

For our retail customers, GLG CORP is strong in product design, innovation and material sourcing. Our Product Design and Development team enables our retail customers to be at the cutting edge of fashion. Our creative designers visit the fashion capitals of the world to find inspiration to create the appropriate designs. In addition to product design, we offer innovation through material and apparel treatments and finishes thereby reinventing new products for our customers. Our sourcing team further assists our retail customers to obtain the right materials for each season at competitive prices.

We understand that fashion is a time sensitive industry. By providing a shorter lead-time from product conceptualisation to the retail store, we are able to empower our customers to stay at the forefront of fashion trends. Through our Merchandising and Order Commercialisation services, GLG CORP is able to reinforce the management so that our customers get what they want when they need it.

We believe in the right quality according to the customers' expectations and our quality assurance management services ascertain that our customers get the products that meet the required quality standards. We continue to focus on Total Quality Management concept, developing and implementing appropriate structure and processes that meet those needs synergistically with our stakeholders.

We offer Social, Legal and CT-PAT Compliance Management services to be in line with the industry practices, supporting our manufacturing partners, our customers to continue to be an ethical and socially responsible employer of choice.

GLG CORP is constantly on the look out to expand its production network to offer our customers the same high quality apparel at competitive pricing.

Manufacturing The Way Forward

GLG CORP markets manufacturing partners' strengths and production capabilities by representing and matching them to our retail customers' needs.

Our Factory Product, Line Planning and Control Services enable our partners to specialise and produce various stylings at the most efficient rate with minimal wastage. We provide Centralised Sourcing and Procurement services, helping our partners in our manufacturing network to achieve cost efficiency through bulk purchase pricing and volume discounts. We shorten production lead time through Industrial Engineering and Time Study, enabling our manufacturing partners to be more time efficient.

We provide Radio Frequency Identification (RFID) Technology Implementation Services, which tracks apparel at its various stages on the production floor, allowing for transparency and real-time throughput monitoring, enabling operations to run more efficiently.

GLG CORP's vast experience in Factory management enables the company to provide factory set up and consultation services to our partners to ensure a streamlined process flow, whilst maximising factory floor space usage. GLG CORP ensures that our manufacturing network is compliant with industry standards, providing our partners the licence to do business with new retail customers. We provide specialised training on social, legal and CT-PAT compliance and material handling, enabling our partners to be well equipped for every new order.

Our company's Container Load Planning and Logistics Management Services reduce logistics costs and ensure that the end products reach their final destination on time, every time.

GLG CORP's ability to satisfy both customer requirements and service its manufacturing network provides a win-win situation for all parties. As we continue to expand our global footprint, we remain committed to our vision to be a world class textile and apparel service provider.

FUTURE PLANS

To further enhance our existing business model, GLG CORP plans to explore various joint ventures and mergers and acquisitions within the industry to increase our service level and valued added services to our customers. We plan to increase our manpower resources to handle the various specialist functions required to expand market share.

Moving forward, the company also plans to secure Non US customers for further market diversification in the next fiscal year.

Estina Ang Suan Hong
Executive Chairman
and Chief Executive Officer

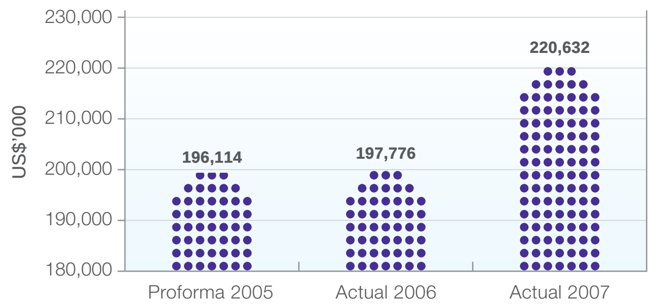
Financial Highlights

GLG believes it has built for itself a strong financial foundation from which to grow. Improvement in our internal global supply chain management processes and improved cost competitiveness of our supplier network strengthens our ability to compete in the Post Quota Era where retailers rationalise their list of suppliers.

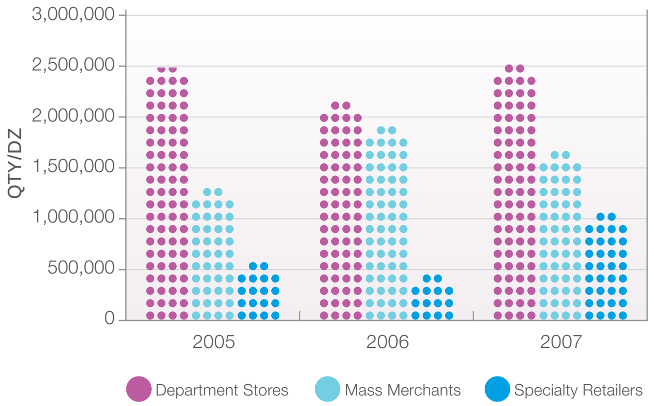
TURNOVER

GLG recorded an increase in sales of about 11.6% or of some US$220.6 Million in FY 2007 compared to sales of US$197.8 Million in FY 2006. The increase in sales was mainly from new specialty retailers. GLG has been able to maintain a good spread of customers with Aerospostale, Macy, Mervyns, Hanesbrands, Target, Sears and Wal-Mart among our top customers.

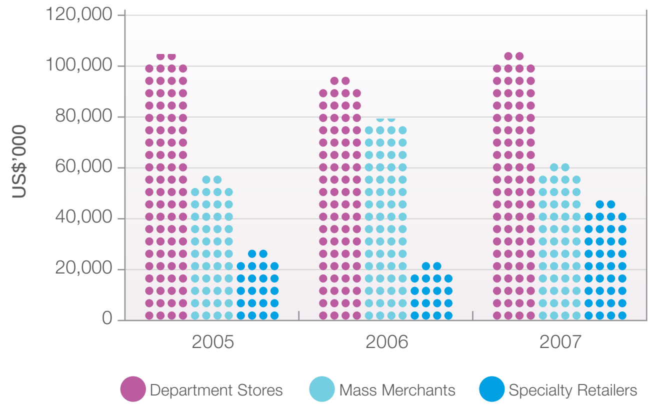
TOTAL REVENUE US$'000



SALES BY CATEGORY QTY/DZ



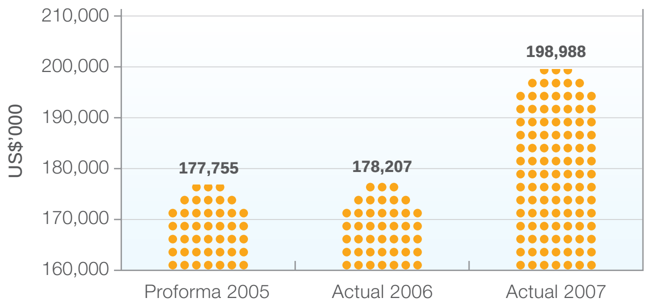
SALES BY CATEGORY US$'000



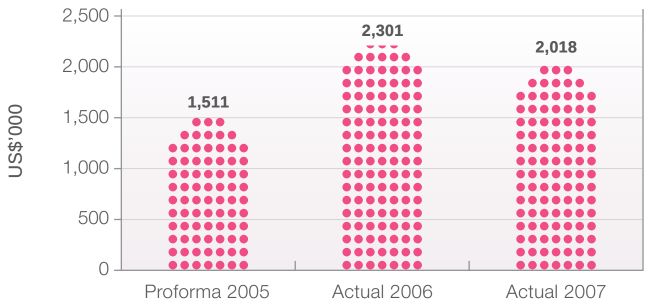
Our cost of sales rose by 11.7% to US$199.0 Million compared to the previous FY 2006. The rise is consistent with the increase in sales.

Other revenue decreased by US$0.3 Million or by 12.7% mainly due to lower logistics fees received.

COST OF SALE US$'000



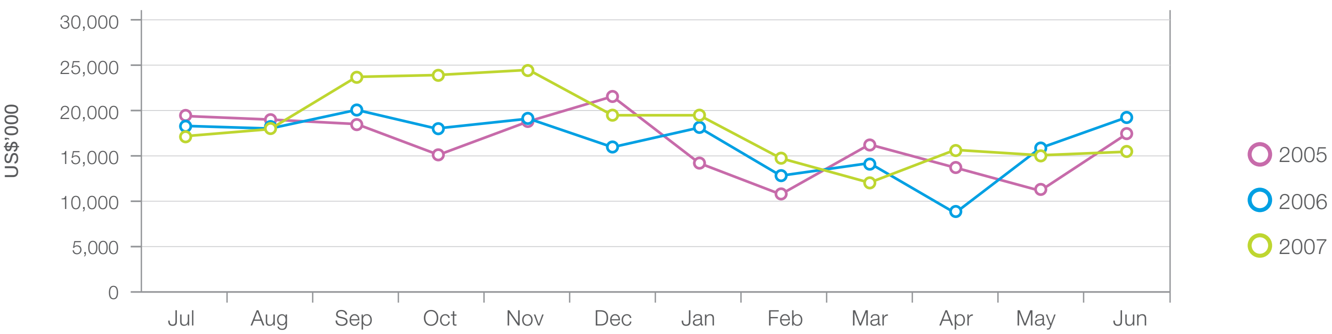
OTHER OPERATING INCOME US$'000



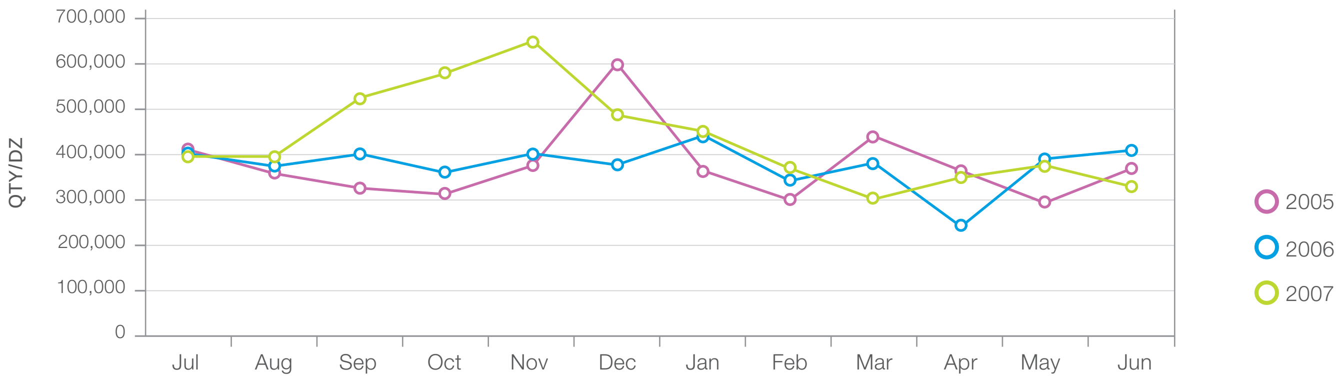
The cyclicality of our business and the seasonal sales trend remained unchanged with the first quarter (July to September) and second quarter (October to December) being the strongest quarters. We are able to achieve better production loading during the low sales season in the third and fourth quarter of last year.

We continue to source production capacity from lower cost countries. In 2007, substantial progress had been made through sourcing from Indonesia, China, Sri Lanka and Cambodia. We have been reducing our sourcing from more expensive locations.

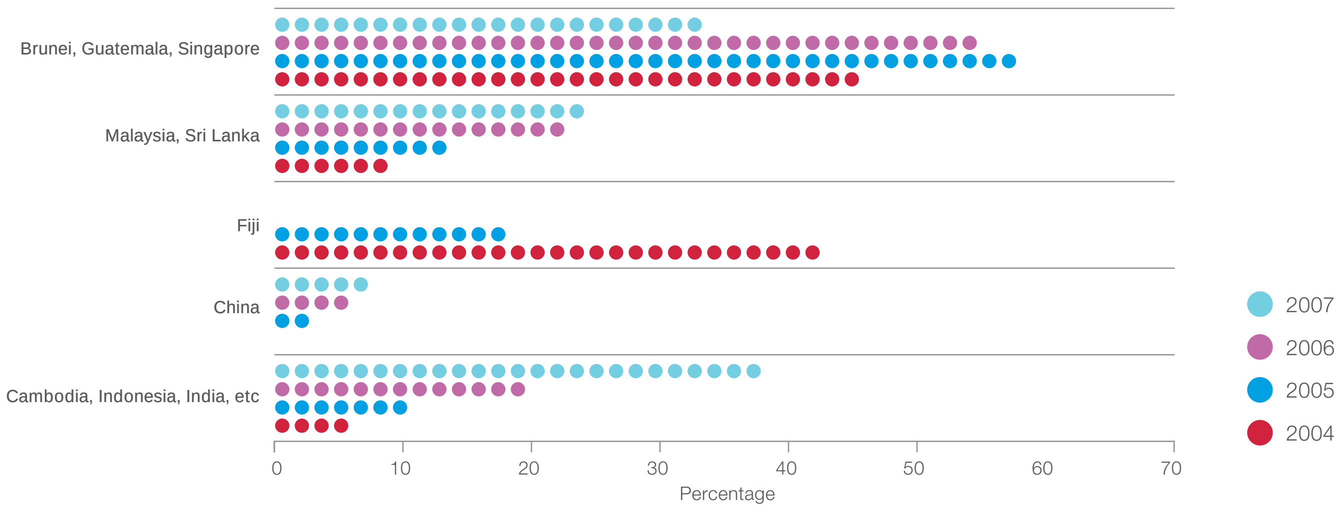
MONTHLY SALES SEASONAL TREND US$



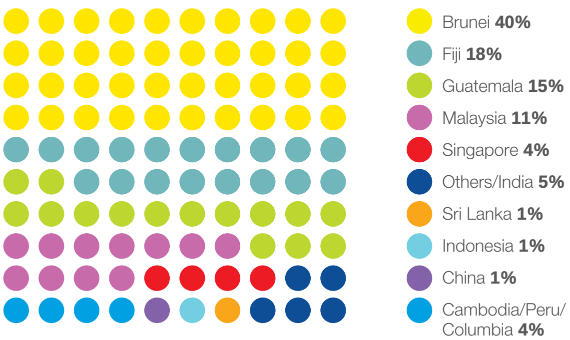
MONTHLY SALES SEASONAL TREND DZ



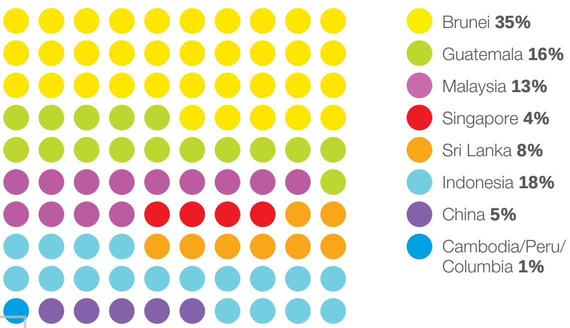
SOURCING BY MANUFACTURING COUNTRIES



2005 SOURCING BY MANUFACTURING COUNTRIES



2006 SOURCING BY MANUFACTURING COUNTRIES

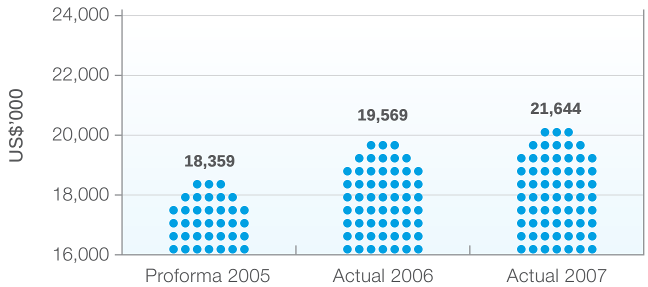


2007 SOURCING BY MANUFACTURING COUNTRIES

MARGIN

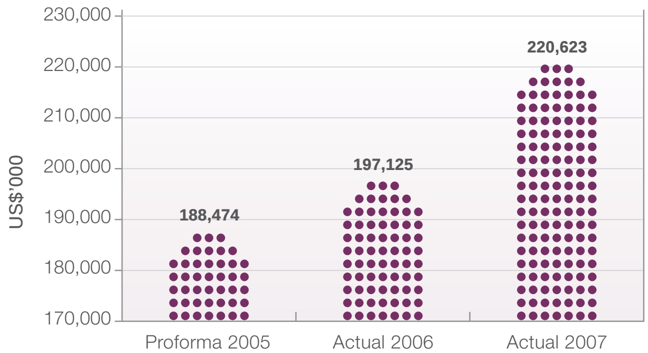
Gross profit was US$21.6 Million compared to US$19.6 Million in FY2006 because of higher sales. Gross margin remained stabled.

GROSS PROFIT US$'000



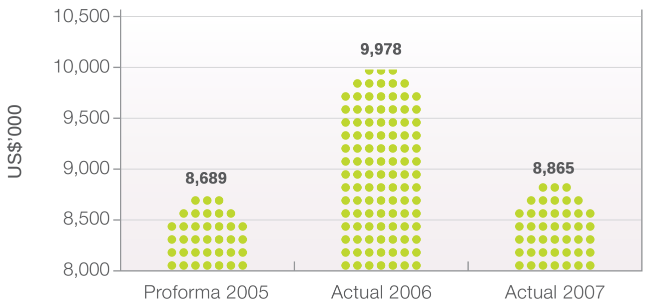
PRICES PER DOZEN

FOB SALES US$'000

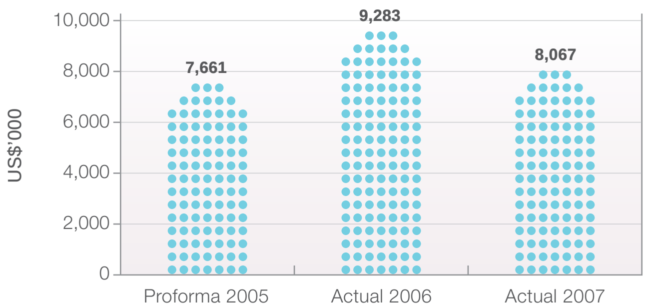


Higher operating cost and lower other operating income has resulted in GLG's net profit decreasing 12.9% to US$8.1 Million compared to net profit of US$9.3 Million for 2006.

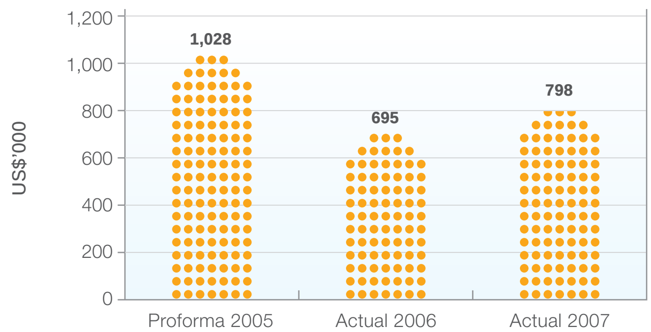
NET PROFIT BEFORE TAX US$'000



NET PROFIT AFTER TAX US$'000

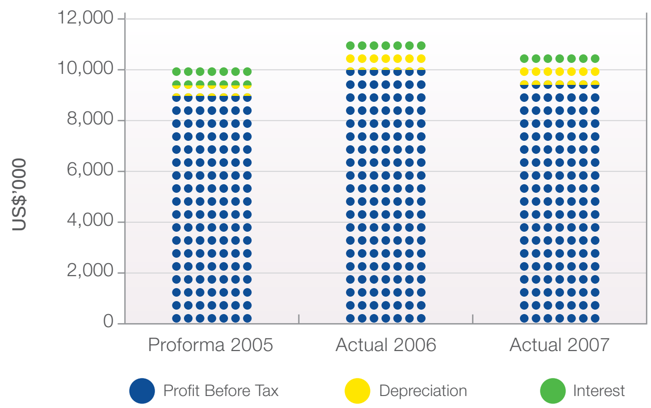


INCOME TAX EXPENSE US$'000



EBITDA of GLG decreased by 10.5% to US$10.5 Million due to higher operating cost.

EBITA US$'000



	Proforma 30 Jun 2005 US$'000	%	Actual 30 Jun 2006 US$'000	%	Actual 30 Jun 2007 US$'000	%
EBITDA						
Profit before tax	8,689	4.4	9,978	5.1	8,865	4.0
Add back:						
Interest	496	0.3	815	0.4	853	0.4
Depreciation	735	0.4	631	0.3	523	0.2
Total	9,920	5.1	11,424	5.8	10,241	4.6

LIQUIDITY AND GEARING

GLG Corp has remained in a sound financial position with improved liquidity and gearing.

GLG's liquidity position improved and our current ratio increased to 4.71x compared to 2.37x in the previous year. Cash as at 30 June 2007 decreased by US$2.6 Million, or 50.4%, to US$2.5 Million compared to US$5.1 Million as at 30 June 2006. The decrease in cash was mainly due to an increase in working capital requirements to support the higher sales volume during the year.

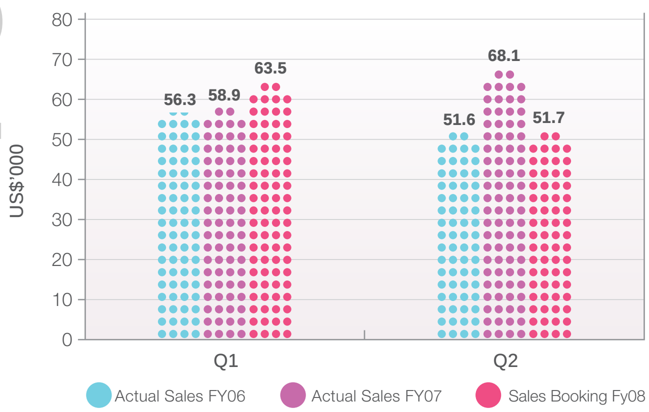
Total payables and borrowings fell by US$5.0 Million, or 45.2%, to US$6.0 Million as at 30 June 2007 compared to US$11.0 Million as at 30 June 2006 after accounting for higher off-settable trust receipts.

Equity increased to US$23.5 Million as at 30 June 2007, from US$19.8 Million as at 30 June 2006, mainly from retained profits as at 30 June 2007 after a dividend payment of US$4.6 Million was made during the financial year.

GLG's gearing ratio (Total interest bearing liabilities/ Equity) stood at 0.01compared to previous year's 0.09. The debt ratio (Total debts/ Total assets) has similarly improved to 0.10 compared to previous year of 0.22.

	Proforma 2005	Actual 2006	Actual 2007
AR Turnover/ days	19.91	31.06	36.87
Current Ratio	0.71	2.37	4.71
Gearing	1.12	0.09	0.01
Debt Ratio	0.82	0.22	0.10
Average Equity proportion	45%	74%	91%
Average Debt proportion	55%	26%	9%

SALES/SALES BOOKING US$ MILLION



SALES BOOKINGS

We have received sales bookings of about US$115.2 Million for the 1st half of FY08. Our actual sales for the 1st half of FY07 were US$127.0 Million.

DIVIDENDS

The Board of Directors are recommending a final unfranked dividend of US6.20 cents per share.

Key Management

CANDIDA CHUNG CHOON NAI
Group Chief Operating Officer

Candida joined GLG in September 2006 as Group Chief Operating Officer. She was responsible for overseeing the full operation of the Group from marketing through procurement, placement of orders all the way down to production planning and control. Candida has over 20 years of experience in the apparel industry. Prior to joining GLG, she was the Managing Director of Sears Buying Services, Inc., Singapore. She is currently pursuing an MBA in Entrepreneurial Management with the Entrepreneurial Institute of Australia.

Candida resigned on 27 July 2007 to complete her MBA studies.

PETER TAY TECK KENG
Chief Operating & Business Development Officer

Peter joined GLG in Oct 2005 as Chief Operating and Business Development Officer. He was mainly responsible for outsourcing the manufacturing process and developing new customers. He has over 20 years of experience in merchandising and retailing in the apparel industry. He joined Gap International Sourcing Pte Ltd (Singapore) as merchandising manager in 1992 and was promoted to Merchandising Director. Prior to that he was with Dodwell Singapore for six years and a QC inspector with AMC Singapore for four years. Peter graduated with a Diploma in Sales & Marketing from NPD/Springs Singapore.

Peter Tay resigned on 4 May 2007.

AGNES NG MOI NGW
Senior VP, Product Sourcing and Business Development
Previous Title:
Chief Operating Officer – Textile

Agnes joined GLG in September 2004 as Chief Operating Officer – Textiles. Under her new title as Senior VP, Product Sourcing and Business Development, she is now responsible for the following departments:
- Fabric & Trim Sourcing & Development
- Yarn Sourcing & Trading
- Product Design and Development
- Private Label
- Outsourcing (India)
- Finishing & Washing Technology Development

Agnes has over 20 years of experience in the textile industry. Prior to joining GLG, she was General Manager of Oceanic Textiles Private Ltd from 1981 to 2004. She obtained a Diploma in Business Management from Ngee Ann Polytechnic in 1976.

SURINA GAN MENG HUI
Senior VP, Sales & Marketing
Previous Title: Chief Marketing Officer

Surina joined GLG in July 2001 and is currently the Chief Marketing Officer. She began her career in the business as a Management Trainee where she was assigned the task of leading the manufacturing operations. Surina is now responsible for the overall management of Sales & Marketing and Merchandising in Singapore, Hong Kong and China. In addition to providing overall direction in the day-to-day management of sales activities, she also plans and implements marketing strategies to identify and expand the customer base and develop business opportunities on a global scale. Surina graduated with a Bachelor of Science (Honours) from New York University-Stern in 2001.

LEE KIM HO
VP, Sales & Marketing

Ms Lee joined GLG in August 1991 as an Assistant Merchandising Manager. As a veteran in the industry with over 20 years of experience, Ms Lee is the key contact person to our customers. From receiving an order to its fulfilment, she manages the intricate processes of development and merchandising with the support of a strong sales and marketing team under her wing. Ms Lee obtained her Bachelor of Arts at Nanyang University, Republic of Singapore in 1977.

JULIE TAN KAR HIAN
VP, Sales & Marketing

Julie first joined GLG in November 2001 as a Senior Manager. As a veteran in the industry with over 27 years of experience, Julie is a key contact person to our customers. From receiving an order to its fulfilment, she manages the intricate processes of development and merchandising with the support of a strong sales and marketing team under her wing.

Risk Management

BUSINESS RISKS

Reliance on the USA Market

GLG' sales to the US accounted for more than 99% of revenue for year ended 2007. Significant mergers amongst US retailers could cause an increase in US buyers' bargaining power and increased dependence on fewer retailers. A loss of a major customer could impact our revenues to the extent of US$30 million.

We intend to reduce this risk in the medium term by diversifying geographically.

Competition from Industry Players

The Business operates in a very competitive industry. The phasing out of quota has intensified competition. US retailers are now having more flexibility in their choice of suppliers as they do not have to select those that hold large or specific quotas.

The competitiveness means that if GLG's quality, product design and development, technology services and or/price competitiveness should 'slip', our profitability and prospects may be affected. If a major repeat sales program is lost our annual revenue could fall by US$4 million.

We have mitigated this risk through comprehensive quality control measures included in every step of our supply chain. During the year we continued to win vendor awards from key customers.

Dependence on Existing Major Manufacturers

GLG has long-term production contracts with strategic suppliers. If such suppliers are unable to deliver the products, we may not be able to source from other suppliers in the timeframes required by customers. This may affect our reputation and adversely affect future orders. We estimate that costs could rise by 3% a year if we had to shift all our sourcing to non-strategic suppliers.

We will manage this risk through diversification.

Reliance on Executive Directors and Key Executive

We rely heavily on existing executive directors and key executives. Whilst these existing key personnel have all signed new service contracts with the Group, there is no guarantee they will not leave. The loss of any key personnel without timely replacement may adversely affect GLG's operations and profitability.

We have added key executives to our management team. We have put in place an internal grooming and development program for potential key executives.

COUNTRY RISKS

The Risk Environment of Countries the Company Operates in

We operate and source from many countries. Adverse changes in local economic, social, legal and political conditions in these countries could have an adverse impact on the business and financial position of GLG. The greatest impact is if one of our major supply sources are affected. We estimate that sales could fall by as much as US$60 million, if a major garment manufacturing site is closed.

We will manage this risk through diversification.

Product Liability
Our current main market is the USA which subjects the company to USA regulations regarding claims arising from supply, purchase and use of apparel supplied by the company. Where required by customers, the company takes out product liability insurance to guard against such liability. There is no assurance that such insurance coverage is enough to indemnify it against all liability. There is also no assurance that the legal fees incurred to defend such claims would be recoverable.

Legal Compliance Guidelines Set by Customers
The Company's customers set certain criteria related to legal, social and ethical standards to be observed in the manufacture of their products. Failure to meet the criteria, will lead to loss of business and of reputation. We estimate a potential loss in sales of up to US$5 million per month for any suspension of a major manufacturing site.

We manage this risk by inspecting our network of suppliers on a regular basis to ensure they meet all aspects of compliance requirements.

FINANCIAL RISKS

Foreign Currency Risk
Our business is primarily in US dollars. However, the Company's share price is denominated in A$. Should there be any significant fluctuation in the US$ against Australian dollar, the Company's share price could be adversely affected.

Credit Risk
As at 30 June 2007, trade receivables were US$22 million and accounted for approximately 10.1% of total sales. Our business extends credit selectively to US customers with a Standard and Poor's long-term debt rating of at least B+. However, there is no assurance that there will be no material bad debts in the future. The credit risk of a major open account customer could amount to US$4 million.

We manage this risk by selling to unrated US customers on a letter of credit basis. For rated customers we set credit risk limits based on their credit rating.

Tax Risk
Our business is subject to many tax regimes. Changes in tax laws and regulations or their interpretations or application could adversely affect tax liabilities of GLG. There is also no assurance that current concessions or incentives or exemptions will be renewed upon their expiration date.

Trade Finance Risk
Our business uses trade finance extensively. Each of the trade finance facilities are provided at the bank's discretion and may be terminated without notice with any sums owing made due and payable. The loss of any trade finance facility without timely replacement could have an adverse effect on our operations and profitability. We estimate a decrease of US$4 in revenue for every US$1 decrease in trade finance bank facilities.

We manage this risk by having good relationship management with our commercial bankers and by maintaining a large pool of supportive commercial bankers.

Corporate Governance Statement

The Board of Directors of GLG Corp Ltd is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of GLG Corp Ltd on behalf of the shareholders by whom they are elected and to whom they are accountable.

Composition of the Board

The composition of the board is determined in accordance with the following principles and guidelines:

- the board should comprise directors with an appropriate range of qualifications and expertise; and
- the board shall meet at least every second month and follow guidelines set down to ensure all directors are made aware of, and have available all necessary information, to participate in an informed discussion of all agenda items.

The directors in office at the date of this statement are as follows:

Name	Position
Estina Ang Suan Hong	Executive Chairman and Chief Executive Officer
Samuel Scott Weiss	Non-executive Deputy Chairman and Independent Director
Eu Mun Leong	Director and Chief Financial Officer
Yong Yin Min	Director
Christopher Chong Meng Tak	Independent Director
Ernest Seow Teng Peng	Independent Director

Board Responsibilities

As the board acts on behalf of the shareholders and is accountable to the shareholders, the board seeks to identify the expectations of the shareholders as well as other regulatory and ethical expectations and obligations. In addition, the board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

Corporate Governance – Best Practice Recommendations. GLG Corp Ltd adopts best practice recommendations put forward by the ASX Corporate Governance Council ("ASXCGC"). In accordance with the ASXCGC's recommendations, the Corporate Governance Statement must report on the Company's adoption of the ASXCGC's best practice recommendations on an exception basis, whereby disclosure is required of any recommendations that have not been adopted, together with the reasons why they have not been adopted. GLG Corp Ltd's corporate governance principles and policies are structured with reference to the ASXCGC's best practice recommendations, which are as follows:

(i) Lay solid foundations for management and oversight;
(ii) Structure the Board to add value;
(iii) Promote ethical and responsible decision-making;
(iv) Safeguard integrity in financial reporting;
(v) Make timely and balanced disclosure;
(vi) Respect the rights of shareholders;
(vii) Recognise and manage risk;
(viii) Encourage enhanced performance;
(ix) Remunerate fairly and responsibly;
(x) Recognise the legitimate interests of stakeholders.

GLG Corp Ltd's corporate governance practices were in place throughout the period ended 30th June 2007. As set out below, with the exception of the departures from the ASXCGC's recommendations in relation to the independence of the Board and chairperson, the roles of chairperson and Chief Executive Officer being performed by separate people and board performance evaluation, the corporate governance practices of GLG Corp Ltd were compliant with the Council's best practice recommendations.

Independence

ASXCGC best practice recommendation 2.1 requires a majority of the Board to be independent directors, 2.2 recommends the chairperson should be an independent director and 2.3 requires the roles of chairperson and chief executive officer should not be exercised by the same individual.

ASXCGC provides a definition of independence to include being independent of management and free of any other business relationships that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgement. In accordance with this definition and further independence guidelines outlined in ASXCGC best practice recommendations, three of the six directors were not considered to be independent.

The Board acknowledges the best practice requirement to maintain a majority independent board. In assessing the makeup of the board, GLG Corp Ltd aims for its directors to be independent in thought and judgement, as well as expecting the directors to add value. GLG Corp Ltd operates in an entrepreneurial environment, and both requires and benefits from the passionate involvement of directors who have been instrumental in launching the Company and the business, and who have specialised knowledge of, and expertise in, this business sector.

As part of discharging its obligations as directors of the Company, the Company encourages directors to seek independent professional advice at the expense of the Company where appropriate. Where issues or matters arise in relation to the running of the Company, that in the opinion of the directors require independent professional advice to assist in the decision making surrounding the resolution of these issues, the board may engage such professional advice on standard commercial terms.

The ASXCGC recommends that the Chairperson should be an independent director. The Chairperson of GLG Corp Ltd, Estina Ang Suan Hong, is the founder of the business, is integral in maintaining the business and important customer relationships and carries out a strategic executive role. GLG Corp Ltd has appointed a lead independent director, which is recommended by the ASXCGC where the Chairperson is not an independent director. The role of the lead independent director is to represent the views of the non-executive directors and all shareholders, to ensure that their voices carry significant weight in the Board's decision making process, and to ensure that the Board understands and maintains boundaries between the Board and management responsibilities.

The Company is currently in the process of bolstering its senior management team, including the search for an appropriately qualified CEO.

Board Performance Evaluation

ASXCGC best practice recommendation 8.1 requires the disclosure of the process for performance evaluation of the board, its committees and individual directors, and key executives. With the Board currently being focused on strategic issues, at this point the process of Board Performance Evaluation has been deferred until such time as the board deems appropriate. The Directors do consider and gauge the overall performance of the Board on a regular basis.

Directors' Report

The directors of GLG Corp Ltd ("GLG") submit herewith the annual financial report of the company for the financial period ended 30 June 2007. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names and particulars of the directors of the company during and since the end of the financial period are:

Directors

Name

ESTINA ANG SUAN HONG

SAMUEL SCOTT WEISS

EU MUN LEONG

CHRISTOPHER CHONG MENG TAK

ERNEST SEOW TENG PENG

YONG YIN MIN

ESTINA ANG SUAN HONG

Executive Chairman and Chief Executive Officer, 54

Estina Ang Suan Hong is the founder of GLG Corp Ltd ('GLG'). Ms Ang is the Executive Chairman of GLG and is a member of the Nomination and Remuneration committee. With the retirement of Mr Soh Guan Kiat, Ms Ang stepped back into the Chief Executive Officer position until the identification and recruitment of a successor.

Ms Ang has over 25 years of experience in the textile and apparel industry. She began her career in the industry in 1975, working for Polly Allied Knitwear Pte Ltd, a Singapore based apparel group.

Under her leadership, GLG Corp Ltd has established itself as a global supplier of quality apparel to major retailers in the USA. Ms Ang also spearheaded the Business' expansion into USA, Guatemala and Hong Kong.

Ms Ang was also the founder of GLIT Group, a key garment manufacturing supplier to GLG. She oversaw GLIT Group's establishment of operations in Malaysia, Fiji, Brunei, Indonesia, Guatemala, China and Sri Lanka. Ms Ang divested GLIT Group following the listing of GLG. Ms Ang also oversaw the acquisition of Maxim Textile Technology Pte Ltd, a textile finishing company, and a subsidiary of Ghim Li Group Pte Ltd (the major shareholder of GLG).

Ms Ang graduated from Nanyang University in 1974 with a Bachelor of Arts degree, and is a member of the Singapore Institute of Directors.

SAMUEL SCOTT WEISS

Non-Executive Deputy Chairman and Lead Independent Director, 53

Mr Weiss brings valuable experience in all aspects of supply chain management and global logistics in a multi-national environment. Mr Weiss joined the board on 12 October 2005 as the Non Executive Deputy Chairman and an Independent Director. He is also a member the Audit committee and Chairman of the Nomination and Remuneration committee.

Mr Weiss currently serves as a Non Executive Director of the Board of Directors of Oroton Group Limited, IPGA Limited, Altium Limited, Ecos Corporation Pty Ltd and Open Universities Pty Ltd, the Sydney Festival and The Benevolent Society. Mr Weiss has an AB from Harvard University and an MS from Colombia University. He is the President of the Harvard Club of Australia and is a director of the Harvard Alumni Association. Mr Weiss brings considerable Board experience and knowledge of Corporate Governance to GLG Corp Ltd.

EU MUN LEONG

Director and Chief Financial Officer, 55

Mr Eu Mun Leong joined Ghim Li Group Pte Ltd, a major shareholder of GLG as Chief Financial Officer in May 2003. He joined the board as a Director on 12 October 2005. He is responsible for the overall planning and management of GLG's financial functions.

Mr Eu has over 25 years of accounting and financial management experience and has spent 15 years in the banking industry. He joined Chase Manhattan Bank, NA in 1981 and became Second Vice President after handling portfolios in wholesale banking, real estate finance and investment banking. Mr Eu left Chase Manhattan Bank in 1990 to take up the position of Vice President of UOB (Corporate Finance and Corporate Banking) until 1997. From 1997 to 2002, Mr Eu was the Chief Financial Officer of Liang Court Group, Somerset Group and the Ascott Group and Senior Vice President, Risk Assessment group of CapitaLand Limited.

Mr Eu has a Master of Business Administration from University of Pittsburgh, USA, a Bachelor of Accountancy (Honours) from University of Singapore and is a fellow of the Institute of Certified Public Accountants of Singapore and a fellow of CPA Australia. Mr Eu is also a member of the Singapore Institute of Directors.

Directors' Report

CHRISTOPHER CHONG MENG TAK

Independent Director, 49

Mr Chong joined the board as an Independent Director of GLG on 12 October 2005 and is a member of the Audit committee.

Mr Chong is a partner of ACH Investments Pte Ltd, a specialist corporate advisory firm in Singapore, and, an Associate of Shadforths Limited, a leading financial firm in Tasmania, Australia. Prior to co-founding ACH Investments Pte Ltd, Mr Chong was a multi-award winning equity analyst and the Managing Director of HSBC James Capel Securities (Singapore) Pte Ltd, (now known as HSBC Securities (Singapore) Pte Ltd), a member of the Hong Kong Bank Group of companies. Mr Chong is an independent director of several public companies listed on the Australian, Singapore and Luxembourg Stock Exchanges. Mr Chong is also a Director and/or advisor to many private companies and to many Asian families and the judicial branch of the Singapore government.

Mr Chong has extensive Asia Pacific experience having previously also been an advisor to listed companies on the Exchange of Hong Kong, Jakarta (Indonesia), KL (Malaysia), Makati (Philippines) and Bangkok (Thailand). Mr Chong is a Fellow of the Australia Institute of Company Directors, a Fellow of the Singapore Institute of Directors and a Master Stockbroker of the Securities and Derivatives Industry Association of Australia.

Mr Chong has received a B.Sc. (Economics) from the University College of Wales, an MBA from London Business School and is a member of the Institute of Chartered Accountants of Scotland.

ERNEST SEOW TENG PENG

Independent Director, 62

Mr Seow joined the board as an Independent Director of GLG on 12 October 2005 and is the Chairman of the Audit committee and a member of the Nomination and remuneration committee.

Mr Seow has over 40 years of experience in the public accounting profession and served as a partner of international public accounting firms for about 24 years. He retired as a partner of PricewaterhouseCoopers in June 2004.

He functioned as the audit engagement partner for a considerable number of public listed companies in Singapore and is familiar with requirements of listed companies, corporate governance, setting up internal controls, restructuring and financial matters. He has also been involved in listing a number of companies on the Singapore Stock Exchange.

Mr Seow is currently an independent director of 2 listed companies in Singapore, SSH Corporation Limited and CK Tang Limited.

Mr Seow is a fellow of CPA Australia, Associate member of the Institute of Chartered Accountants in Australia and CPA Singapore.

YONG YIN MIN

Director, 55

Mr Yong joined the Board as a Director on 07 June 2006. Mr Yong is also an Executive Director of GLG's major shareholder, Ghim Li Group Pte Ltd.

Mr Yong has a Masters Degree in Business Administration from the University of Toronto and a Masters Degree in Financial Engineering from the National University of Singapore. Mr Yong was a career banker with a background in commercial and merchant banking before he joined Ghim Li Group Pte Ltd. In addition, he has experience in market planning and human resource development consulting and in private equity.

Mr Yong will support Ms Ang in Strategic Market Planning, in reviewing opportunities for acquisitions and in grooming the next generation of GLG managers.

DIRECTORSHIPS OF OTHER LISTED COMPANIES

Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial period are as follows:

Name	Company	Period of directorship	Audit Committee
Estina Ang Suan Hong	Nil	Nil	Nil
Samuel Scott Weiss	Oroton Group Limited	Since 2003	Yes
	Altium Limited	Since Nov 2006	Yes
	IPGA Limited	Since Aug 2007	Yes
Eu Mun Leong	Nil	Nil	Nil
Christopher Chong Meng Tak	Lorenzo International Limited	Since 2006	Yes
	ASL Marine Holdings Ltd	Since 2006	Yes
	SKY China Petroleum Services Ltd	Since 2004	Yes
	Koon Holdings Limited	Since 2003	Yes
	Xpress Holdings Limited	Since 2001	Yes
	Koda Ltd	Since 2001	Yes
	Nexus Asia Fund	Since 1999	N.A.
Ernest Seow Teng Peng	SM Summit Holdings Ltd	Resigned May 2007	No
	SSH Corporation Ltd	Since 2005	Yes (Chairman)
	CK Tang Limited	Since Apr 2007	Yes
Yong Yin Min	Nil	Nil	Nil

COMPANY SECRETARY

Mr Shane Hartwig is a Certified Practising Accountant and Chartered Company Secretary and holds a Bachelor of Business degree, majoring in Accounting and Taxation from Curtin University of Technology in Western Australia.

Shane is involved in the areas of IPO's, capital raisings, prospectus and information memorandum preparation and project management, company assessments and due diligence reviews, mergers and acquisitions and providing general corporate advice. Shane is currently Joint Company Secretary of ASX listed companies, Orient Resource Holdings Limited and Nimrodel Resources Limited on a contract basis.

Shane has over sixteen years experience in the finance industry both nationally and internationally with exposure in both the debt and equity capital markets.

FORMER PARTNERS OF THE AUDIT FIRM

No officer of the company has been a partner in an audit firm, or a director of an audit company that is an auditor of the company during the period or was such a partner or director at a time when the audit firm or the audit company undertook an audit of the company.

PRINCIPAL ACTIVITIES

Global supplier of knitwear/apparel and supply chain management operation.

REVIEW OF OPERATIONS

GLG's net profit declined 13.1% to US$8,067 thousand, against a net profit of US$9,283 thousand in the previous year. The decline was due to higher selling, distribution and administrative expenses during the year.

GLG's sales increased by US$22,856 thousand, or 11.6% to US$220,632 thousand compared to sales of US$ 197,776 thousand in the previous year. The growth came mainly from sales to new customers.

Other income decreased by US$293 thousand or 12.7% to US$2,008 thousand, mainly due to lower logistics fees received.

Cost of sales increased by US$20,781 thousand, or 11.7%, to US$198,988 thousand compared to cost of sales US$178,207 thousand in the previous year. This was consistent with the increase in sales.

GLG's gross profit was US$21,644 thousand compared to a gross profit of US$19,569 in the previous year. Gross margin remained stable at 9.8%.

Selling & Distribution cost went up to US$1,384 thousand compared to expenses of US$882 thousand in the previous year. The increase in expenses was mainly due to higher sample charges.

Administrative expenses increased to US$10,785 thousand compared to US$8,486 thousand in the previous year because of higher manpower and rental costs. In addition the expensing of operating leases on a straight line basis in accordance with Accounting Standard AASB 117 contributed a one off impact of US$307 thousand under rental expenses for the year. The weakening of US currency resulted in higher exchange losses under other operating expenses for the year.

Finance cost rose to US$1,492 thousand compared to US$1,328 thousand in the previous year. The increase was due to the higher interest rate for USD borrowings and higher charges incurred under letters of credit issued by customers.

Tax expense increased by US$103 thousand to US$798 thousand compared to US$695 thousand in the previous year. The increase was due to higher taxable profits during the year as a result of lower prior year and deferred tax adjustments.

The discussion that follows compares the Consolidated Balance Sheet as at 30 June 2007 with that of 30 June 2006.

Cash as at 30 June 2007 decreased by US$2,559 thousand, or 50.4%, to US$2,518 thousand compared to US$5,077 thousand as at 30 June 2006. The decrease in cash was mainly due to an increase in working capital requirements to support the higher sales volume during the year.

REVIEW OF OPERATIONS (cont'd)

Trade and other receivables increased by US$5,460 thousand, or 32.4%, to US$22,289 thousand as at 30 June 2007 compared to US$16,829 thousand as at 30 June 2006. The increase was attributable mainly to pre-shipment trade advances to factories.

Other current assets increased by US$132 thousand, or 19.1%, to US$825 thousand as at 30 June 2007 compared to US$693 thousand as at 30 June 2006. The increase was attributable mainly to prepayments for insurance and computer software expenses.

Total payables and borrowings fell by US$4,929 thousand, or 45.2%, to US$5,987 thousand as at 30 June 2007 compared to US$10,916 thousand as at 30 June 2006 after accounting for higher off-settable trust receipts.

Equity increased to US$23,538 thousand as at 30 June 2007, from US$19,820 thousand as at 30 June 2006, mainly from retained profits as at 30 June 2007 after a dividend payment of US$4,594 thousand was made during the financial year.

The discussion that follows compares the Consolidated Statement of Cash flow as at 30 June 2007 with that of 30 June 2006.

GLG's cash from operating activities improved to an inflow of US$12,217 thousand as at 30 June 2007 compared to inflow of US$8,241 thousand as at 30 June 2006. The improvement in the cash flow from operating activities is mainly due to the increase in sales receipts from customers.

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 for the foreseeable future.

CHANGES IN STATE OF AFFAIRS

During the financial period there was no significant change in the state of affairs of the consolidated entity other than that referred to in the financial statements or notes thereto.

SUBSEQUENT EVENTS

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial period, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

FUTURE DEVELOPMENTS

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

DIVIDENDS

In respect of the financial period ended 30 June 2007, the directors recommend the payment of a final unfranked dividend of US6.20 cents per share to the holders of fully paid ordinary shares on 31 October 2007.

SHARE OPTIONS

Independent directors exercised their share options during the year. Refer to Remuneration Report for details of options granted to Directors.

INDEMNIFICATION OF OFFICERS AND AUDITORS

During or since the end of the period, GLG Corp has not given any indemnity to a current or former auditor or officer against a liability or made any agreement under which an officer or auditor may be given any indemnity of the kind covered by sub-section 199A (2) or (3) under the Corporation Act 2001.

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial period and the number of meetings attended by each director (while they were a director or committee member).

During the financial period, 5 board meetings, 4 nomination and remuneration committee meetings and 3 audit committee meetings were held.

	Board of directors		Nomination & remuneration committee		Audit committee	
Directors	Held	Attended	Held	Attended	Held	Attended
Estina Ang Suan Hong	5	4	4	4	–	–
Samuel Scott Weiss	5	5	4	4	3	3
Eu Mun Leong	5	5	–	–	3	3
Ernest Seow Teng Peng	5	5	4	4	3	3
Christopher Chong Meng Tak	5	4	–	–	3	3
Yong Yin Min	5	5	–	–	–	–

DIRECTORS' SHAREHOLDINGS

The following table sets out each director's relevant interest in shares, debentures, and rights or options in shares or debentures of the company or a related body corporate as at the date of this report.

Directors	Full Paid Ordinary Shares
Estina Ang Suan Hong	54,793,334
Samuel Scott Weiss	53,333
Eu Mun Leong	16,000
Christopher Chong Meng Tak	–
Ernest Seow Teng Peng	33,333
Yong Yin Min	–

REMUNERATION REPORT

Remuneration policy for Key Management Personnel

The remuneration for Key Management Personnel is determined as follows:

- For the Executive Chairman, Chief Executive Officer, Company Secretary and Chief Financial Officer, the Nomination and Remuneration committee determines and makes recommendations to the Board on remuneration packages and other terms of employment having regard to the need to attract, retain and develop appropriately skilled people. Remuneration is reviewed on an annual basis having regard to personal and corporate performance and relevant comparative information
- The remuneration of non-executive directors may not exceed in aggregate in any financial period the amount fixed by the company at the general meeting.
- For executives the Nomination and Remuneration committee reviews remuneration policies and practices and makes recommendations to the Board regarding their approval. Remuneration is reviewed on an annual basis having regard to personal and corporate performance and relevant comparative information.

Remuneration of directors and executives

Each executive director of the company has entered into a service agreement with Ghim Li Global Pte Ltd, a major subsidiary of GLG Corp Ltd. They are not remunerated separately for being a Director or executive of the company or other operating entities. Under their respective terms of engagement, all executives, with the exception of Mr Yong Yin Min:

- commenced their terms as an executive of Ghim Li Global Pte Ltd on 1 January 2005, for a 3 year term, and thereafter their engagement automatically continues from year to year, unless their Service Agreement is terminated;
- are covenanted to not compete against GLG's operations for a period of 12 months after cessation of employment with Ghim Li Global Pte Ltd;
- agree that either party may terminate their Executive Service Agreement by giving 3 months' written notice. In addition, Ghim Li Global Pte Ltd may without prior notice terminate their Service Agreements under certain conditions, for example, if the executive commits a serious breach of his or her obligations, or is guilty of grave misconduct in the discharge of his or her duties, or becomes bankrupt.

The service agreements contain otherwise standard terms, including with regard to each executive's duties, Ghim Li Global Pte Ltd owning intellectual property created by its executives, confidentiality, entitlements to minor benefits in addition to their remuneration, and devoting substantially the whole of their time and attention during business hours to the discharge of their duties.

Each executive director receives a salary per annum. They may also be entitled to an annual bonus determined by the Nomination and Remuneration committee, in its absolute discretion. However, there was no bonus paid during the year.

GLG had 7 key managers during the year, as follows:

- **Agnes Ng Moi Ngw**, Chief Operating Officer – Textiles
- **Surina Gan Meng Hui**, Chief Marketing Officer
- **Peter Tay Teck Keng** (Chief Operating and Business Development Officer) resigned [4 May 2007]
- **Candida Chung**, Chief Operating Officer appointed [1 September 2006], resigned [27 July 2007]
- **Lee Kim Ho**, Sales and Marketing Manager
- **Julie Tan Kiar Hian**, Sales and Marketing Manager
- **Ricky Fok Chor Lim** (Regional Head-Hong Kong) resigned [30 September 2006]

Each of these key managers have entered into a service agreement with Ghim Li Global Pte Ltd, the general terms of which are not materially different to those of the executive directors described above, save only that Ms Chung joined Ghim Li Global Pte Ltd on 1st September 2006 and, as such, her 3 year term commences on that date. Also, Ricky Fok Chor Lim and Peter Tay Teck Keng, other key managers who resigned during the period, had service agreements that did not differ materially to those of the executive directors described above.

Each key manager receives a salary per annum, reviewed by the Chief Executive Officer or the Chairman annually with reference to the progress of GLG. Each may also be entitled to an annual bonus determined by the Chief Executive Officer or the Chairman, reviewed by the Nomination and Remuneration Committee, and approved by the Board at the Board's absolute discretion. Cash bonuses were paid in January 2006 in respect of the calendar year to December 2005 and are based on the performance of the entity and the discretion of management.

Share Option Plan

In respect of each independent director, upon listing of the company, Ghim Li Group Pte Ltd (ultimate parent entity of GLG Corp Ltd) agreed to assign 300,000 shares to an escrow agent on or before 11 October 2006. Each Independent Director is entitled to receive up to 100,000 of these GLG Corp Ltd shares for nil consideration, receivable as follows:

Upon the first anniversary of their appointment	33,333 shares for 1 year's continuous service as a Director
Upon the second anniversary of their appointment	33,333 shares for 2 year's continuous service as a Director
Upon the third anniversary of their appointment	33,333 shares for 3 year's continuous service as a Director

The purpose of the share options is to:

- Provide long term incentive to each independent director to remain with the group
- Improve the long term performance of the company

The options issued to each of the Non Executive Directors form part of their overall compensation package and represent the Long Term Incentive component of this agreed package. This component of the package has been determined after considering and reviewing packages being paid by comparable listed companies both in terms of size and profitability.

REMUNERATION REPORT (cont'd)

Share Option Plan (cont'd)

The following share based payment arrangements were in existence during the period:

Option Series	Number	Grant Date	Expiry Date	Exercise Price	Fair Value at Grant Date
11 October 2006 (1)	100,000	14 Dec 2005	11 October 2006	–	0.74
11 October 2007 (2)	100,000	14 Dec 2005	11 October 2007	–	0.74
11 October 2008 (3)	100,000	14 Dec 2005	11 October 2008	–	0.74

The series 1 options vested during the current reporting period (2006:nil)

Two Non Executive Directors, Ernest Seow Teng Peng and Samuel Scott Weiss exercised their Series (1) Options and were issued 33,333 fully paid ordinary shares in the Company upon exercise.

The fair value of options granted during 2006 was $0.74. Each independent Director is granted shares at a zero strike price. The value of the options is determined as the difference between the share price at grant date and the strike price of zero.

The share options outstanding as at 30 June 2007 have a weighted average remaining contractual life of 9.40 months.

The following reconciles the outstanding share options granted under the share option plan at the beginning and end of the financial year:

	2007		2006	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Balance at beginning of financial year	300,000	–	–	–
Granted During the financial year	–	–	300,000	–
Forfeited during the financial year	–	–	–	–
Exercised during the financial year	66,666	–	–	–
Balance at end of the financial year	233,333	–	300,000	–
Exercisable at end of the financial year	33,333	–	–	–

Key Management Personnel details

The directors of GLG Corp Ltd during the period were:

- **Estina Ang Suan Hong** (Chairman and Chief Executive Officer)
- **Samuel Scott Weiss** (Non Executive Deputy Chairman and Independent Director)
- **Eu Mun Leong** (Director and Chief Financial Officer)
- **Christopher Chong Meng Tak** (Independent Director)
- **Ernest Seow Teng Peng** (Independent Director)
- **Yong Yin Min** (Director)

Other key management personnel of GLG Corp Ltd during the period were:

- **Candida Chung** (Chief Operating Officer) appointed [1 September 2006] resigned [27 July 2007]
- **Agnes Ng Moi Ngw** (Chief Operating Officer Textiles)
- **Peter Tay Teck Keng** (Chief Operating and Business Development Officer) resigned [4 May 2007]
- **Surina Gan Meng Hui** (Chief Marketing Officer)
- **Lee Kim Ho** (Sales and Marketing Manager)
- **Julie Tan Kiar Hian** (Sales and Marketing Manager)
- **Ricky Fok Chor Lim** (Regional Head- Hong Kong) resigned [30 September 2006]

Elements of Key Management Personnel remuneration
Remuneration packages contain the following key elements:
(a) Short-term employment benefits – salaries/fees, bonuses
(b) Post-employment benefits
(c) Equity Options

	Short-term employment benefits			Post-employment benefits			Equity	Total
2007	Salary & fees US$	Bonus US$	Other US$	Super-annuation US$	Prescribed benefits US$	Other US$	Options US$	US$
Directors								
Estina Ang Suan Hong	421,621	–	–	7,721	–	–	–	429,342
Samuel Scott Weiss	58,705	–	–	–	–	–	30,348	89,053
Eu Mun Leong	106,890	–	–	3,950	–	–	–	110,840
Christopher Chong Meng Tak	34,114	–	–	–	–	–	30,348	64,462
Ernest Seow Teng Peng	34,114	–	–	–	–	–	30,348	64,462
Yong Yin Min	96,819	–	–	–	–	–	–	96,819
	752,263	–	–	11,671	–	–	91,044	854,978
Executives								
Surina Gan Meng Hui	117,483	–	–	4,628	–	–	–	122,111
Peter Tay Teck Keng	100,608	–	–	4,170	–	–	–	104,778
Candida Chung Choon Nai	202,898	–	–	4,892	–	–	–	207,790
Agnes Ng Moi Ngw	112,644	–	–	3,936	–	–	–	116,580
Lee Kim Ho	85,178	–	11,615	3,136	–	–	–	99,929
Ricky Fok Chor Lim	23,077	–	–	–	–	–	–	23,077
Julie Tan Kar Hian	72,014	–	11,615	4,530	–	–	–	88,159
	713,902	–	23,230	25,292	–	–	–	762,424
Total	1,466,165	–	23,230	36,963	–	–	91,044	1,617,402

REMUNERATION REPORT (cont'd)

Share Option Plan (cont'd)

2006	Short-term employment benefits			Post-employment benefits			Equity	Total
	Salary & fees US$	Bonus US$	Other US$	Super-annuation US$	Prescribed benefits US$	Other US$	Options US$	US$
Directors								
Estina Ang Suan Hong	164,024	45,562	29,440	11,682	–	–	–	250,708
Samuel Scott Weiss	40,458	–	–	–	–	–	23,178	63,636
Soh Guan Kiat	182,249	22,781	14,720	4,815	–	–	–	224,565
Eu Mun Leong	94,769	11,846	7,654	5,613	–	–	–	119,882
Christopher Chong Meng Tak	15,173	–	–	–	–	–	23,178	38,351
Ernest Seow Teng Peng	15,173	–	–	–	–	–	23,178	38,351
Yong Yin Min	–	–	–	–	–	–	–	–
	511,846	80,189	51,814	22,110	–	–	69,534	735,493
Executives								
Surina Gan Meng Hui	99,629	13,669	8,832	8,055	–	–	–	130,185
Peter Tay Teck Keng	82,012	–	8,832	3,317	–	–	–	94,161
Candida Chung Choon Nai	–	–	–	–	–	–	–	–
Agnes Ng Moi Ngw	100,237	12,530	8,096	5,737	–	–	–	126,600
Lee Kim Ho	69,255	23,085	3,729	4,784	–	–	–	100,853
Ricky Fok Chor Lim	28,286	–	–	–	–	–	–	28,286
	379,419	49,284	29,489	21,893	–	–	–	480,085
Total	891,265	129,473	81,303	44,003	–	–	69,534	1,215,578

*In the previous year, part of the compensation amounting to US$153 thousand was recharged to other entities outside the group for services rendered.

Value of options issued to directors and executives

The following table summarises the value of options granted, exercised or lapsed during the annual reporting period to the identified directors and executives:

	Value of options granted at the grant date (i) US$	Value of options exercised at the exercise date (ii) US$	Value of options lapsed at the date of lapse US$	Total US$
Samuel Scott Weiss	–	24,667	–	24,667
Christopher Chong Meng Tak	–	–	–	–
Ernest Seow Teng Peng	–	24,667	–	24,667

(i) The value of options granted during the period is recognised in compensation over the vesting period of the grant, in accordance with Australian accounting standards.

(ii) Both options granted in the current financial year and in previous financial years were exercised during the financial year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No application under section 237 of the Corporations Act 2001 has been made in respect of the Company and there are no proceedings that a person has brought or intervened in on behalf of the company under that section.

NON-AUDIT SERVICES

The directors are satisfied that the provision of non-audit services, during the period, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Details of amounts paid or payable to the auditor for non-audit services provided during the period by the auditor are outlined in note 8 to the financial statements.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 36 of the financial report.

ROUNDING OFF OF AMOUNTS

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the directors made pursuant to s.298 (2) of the Corporations Act 2001.

On behalf of the Directors

Estina Ang Suan Hong
Executive Chairman
Singapore,
30 August 2007

Deloitte.

Deloitte Touche Tohmatsu
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Auditors' Independence Declaration

The Board of Directors
GLG Corp Limited
Level 5, 33 York Street
SYDNEY NSW 2000

30 August 2007

Dear Board Members

GLG CORP LTD

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of GLG Corp Ltd.

As lead audit partner for the audit of the financial statements of GLG Corp Ltd for the financial year ended 30 June 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMASTSU

Lyn Cox
Partner
Chartered Accountant

Deloitte.

Deloitte Touche Tohmatsu
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Independent Auditor's Report to the members of GLG Corp Limited

Report on the Financial Report and AASB 124 Compensation Disclosures in the Directors' Report

We have audited the accompanying financial report of GLG Corp Limited, which comprises the balance sheet as at 30 June 2007, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 40 to 92.

We have also audited the compensation disclosures contained in the directors' report. As permitted by the *Corporations Regulations 2001*, the company has disclosed information about the compensation of key management personnel ("compensation disclosures") as required by paragraphs Aus 25.4 to Aus 25.7.2 of Accounting Standard AASB 124 Related Party Disclosures ("AASB 124"), under the heading "remuneration report" on pages 30 to 34 of the directors' report, and not in the financial report.

Directors' Responsibility for the Financial Report and the AASB 124 Compensation Disclosures Contained in the Directors' Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The directors are also responsible for the compensation disclosures contained in the directors' report. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Independent Auditor's Report to the members of GLG Corp Limited (cont'd)

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report and compensation disclosures contained in the director's report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and the compensation disclosures comply with AASB 124.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and the compensation disclosures contained in the directors' report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report and the compensation disclosures contained in the directors' report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report and compensation disclosures contained in the directors' report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the compensation disclosures contained in the directors' report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Auditor's Independence Declaration

In Conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion on the Financial Report

In our opinion:

(a) the financial report of GLG Corp Limited is in accordance with the Corporation Act 2001, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and *Corporation Regulations 2001*; and

Independent Auditor's Report to the members of GLG Corp Limited (cont'd)

(b) the financial report also complies with International Financial Rpeorting Standards as disclosed in Note 1.

Auditor's Opinion on the AASB 124 Compensation Disclosures Contained in the Directors' Report

In our opinion, the compensation disclosures that are contained on pages 30 to 34 under the heading "remuneration report" of the directors' report, comply with paragraphs Aus 25.4 to Aus 25.7.2 of Accounting Standard AASB 124 Related Party Disclosures.

DELOITTE TOUCHE TOHMASTSU

L. T. Cox
Partner
Chartered Accountants
Hobart, 30 August 2007

Directors' declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and

(c) the directors have been given the declarations required by s.295A of the Corporations Act.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

Estina Ang Suan Hong
Executive Chairman
Singapore,
30 August 2007

Financial Report

INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

	Note	Consolidated 2007 US$'000	Consolidated 2006 US$'000	Company 2007 US$'000	Company 2006 US$'000
Continuing Operations					
Sales	4	220,632	197,776	–	–
Cost of sales		(198,988)	(178,207)	–	–
Gross profit		21,644	19,569	–	–
Other revenue	4	1,295	1,641	–	–
Other income	4	713	651	5,063	5,031
Distribution expenses		(1,384)	(882)	(71)	(15)
Administration expenses		(10,785)	(8,486)	(489)	(141)
Finance costs	4	(1,492)	(1,328)	–	–
Other expenses		(1,099)	(608)	(179)	(52)
Profit before income tax expense	4	8,892	10,557	4,324	4,823
Income tax expense	5	(798)	(695)	–	–
Profit for the period from continuing operations		8,094	9,862	4,324	4,823
Discontinued operations					
Loss for the period from discontinued operations	28	(27)	(579)	–	–
Profit for the period		8,067	9,283	4,324	4,823
Earnings per share:					
Basic (cents per share)	20	10.89	13.85	–	–
Diluted (cents per share)	20	10.89	13.85	–	–

Notes to the financial statements are included on pages 46 to 92

BALANCE SHEET
AS AT 30 JUNE 2007

		Consolidated		Company	
	Note	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
Current assets					
Cash and cash equivalents	32(a)	2,518	5,077	7	526
Trade and other receivables	9	22,289	16,829	5,116	5,000
Other current assets	10	825	693	88	99
Total current assets		25,632	22,599	5,211	5,625
Non-current assets					
Trade and other receivables	11	3,404	6,804	–	–
Investment in subsidiaries	27	–	–	53,410	53,410
Property, plant and equipment	12	1,670	1,587	–	–
Other intangible assets	13	–	686	–	–
Total non-current assets		5,074	9,077	53,410	53,410
Total assets		30,706	31,676	58,621	59,035
Current liabilities					
Trade and other payables	14	3,639	3,389	334	661
Borrowings	15	755	5,319	–	–
Current tax payables	5(b)	1,053	832	–	–
Total current liabilities		5,447	9,540	334	661
Non-current liabilities					
Borrowings	16	1,593	2,208	–	–
Deferred tax liabilities	5(c)	128	108	43	20
Total non-current liabilities		1,721	2,316	43	20
Total liabilities		7,168	11,856	377	681
Net assets		23,538	19,820	58,244	58,354
Equity					
Issued capital	17	10,193	10,193	53,483	53,483
Reserves	18	323	78	160	–
Retained earnings	19	13,022	9,549	4,601	4,871
Total equity		23,538	19,820	58,244	58,354

Notes to the financial statements are included on pages 46 to 92.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

	Note	Issued Capital US$'000	Hedging Reserves US$'000	Share Based Payment Reserves US$'000	Financial Guarantee Reserves US$'000	Retained Profits US$'000	Total US$'000
The Group							
Balance at July 1,2005		–	(335)	–	–	365	30
Issue of share capital		10,193	–	–	–	–	10,193
Transferred to initial carrying amount of hedging item		–	335	–	–	–	335
Effect of recognition of financial guarantee contracts		–	–	–	78	(99)	(21)
Profit for the year		–	–	–	–	9,283	9,283
Balance at June 30, 2006		10,193	–	–	78	9,549	19,820
Dividends paid	19	–	–	–		(4,594)	(4,594)
Recognition of financial guarantee fees	19	–	–	–	85	–	85
Recognition of share-based payments		–	–	160	–	–	160
Profit for the period	19	–	–	–	–	8,067	8,067
Balance at June 30, 2007		10,193	–	160	163	13,022	23,538
The Company							
Balance at July 1,2005		–	–	–	–	–	–
Issue of share capital		53,483	–	–	–	–	53,483
Profit for the year		–	–	–	–	4,871	4,871
Balance at June 30, 2006		53,483	–	–	–	4,871	58,354
Dividends paid	19	–	–	–	–	(4,594)	(4,594)
Recognition of share-based payments		–	–	160	–	–	160
Profit for the period	19	–	–	–	–	4,324	4,324
Balance at June 30, 2007		53,483	–	160	–	4,601	58,244

Notes to the financial statements are included on pages 46 to 92.

CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

	Note	Consolidated 2007 US$'000	Consolidated 2006 US$'000	Company 2007 US$'000	Company 2006 US$'000
Cash flows from operating activities					
Receipts from customers		223,439	194,432	11	(99)
Payments to suppliers and employees		(210,105)	(185,253)	(428)	(134)
Interest and other costs of finance paid		(853)	(816)	–	–
Dividends received		–	–	5,000	–
Interest received		313	389	10	31
Income tax paid		(577)	(511)	–	–
Net cash provided by/(used in) operating activities	32(c)	12,217	8,241	4,593	(202)
Cash flows from investing activities					
Payment for investment securities		–	–	–	(53,410)
Proceeds from sales of property, plant and equipment		1	185	–	–
Payment for property, plant and equipment		(646)	(482)	–	–
Proceeds on sales of investment		(57)	–	–	–
Payment for intangible assets		–	(229)	–	–
Net cash (used in) investing activities		(702)	(526)	–	(53,410)
Cash flows from financing activities					
Proceeds from issues of equity securities		–	11,544	–	54,834
Dividends paid		(4,594)	–	(4,594)	–
Payment for share issue costs		–	(1,351)	–	(1,351)
Proceeds from/(repayment of) borrowings		(9,480)	(13,451)	(518)	655
Net cash (used in)/provided by financing activities		(14,074)	(3,258)	(5,112)	54,138
Net increase in cash and cash equivalents		(2,559)	4,457	(519)	526
Cash and cash equivalents at the beginning of the financial period		5,077	620	526	–
Cash and cash equivalents at the end of the financial period	32(a)	2,518	5,077	7	526

Notes to the financial statements are included on pages 46 to 92.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

1. SUMMARY OF ACCOUNTING POLICIES

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Urgent Issues Group Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with the A-IFRS ensures that the consolidated financial statements and notes of the consolidated entity comply with International Financial Reporting Standards ('IFRS'). The parent entity financial statements and notes also comply with IFRS.

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

Registered Office	**Principal place of business**
Level 5, 33 York Street	41, Changi South Ave 2,
Sydney, NSW 2000	Singapore 486153
Australia	

The financial statements were authorised for issue by the directors on 30 August 2007.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of A-IFRS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the period ended 30 June 2007 and the comparative information presented in these financial statements for the period ended 30 June 2006.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

1. SUMMARY OF ACCOUNTING POLICIES (cont'd)

Basis of preparation (cont'd)

Reverse acquisition

On 9 November 2005, GLG acquired certain entities comprising the marketing group of the Ghim Li Global Group for consideration of US$62,249 thousand. In accordance with A-IFRS this was accounted for under AASB 3 Business Combinations. In accordance with reverse acquisition accounting principles, the assets and liabilities of entities comprising the marketing group (refer Note 27 and Note 28) are recorded at their book value on consolidation rather than their fair value.

The parent entity, GLG was incorporated on 12 October 2005, however in accordance with the disclosure requirements of AASB 3 Business Combinations the comparative information presented in the consolidated Income Statement includes results from the operations of the various Ghim Li Global Group entities acquired by GLG (refer Note 27 and Note 28) for the period ended 30 June 2006.

The company's financial period is from 1 July 2006 to 30 June 2007.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(c) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

1. SUMMARY OF ACCOUNTING POLICIES (cont'd)

(c) Employee benefits (cont'd)

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

(d) Financial assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs. Subsequent to initial recognition, investments in subsidiaries are measured at cost. Subsequent to initial recognition, investments in associates are accounted for under the equity method in the consolidated financial statements and the cost method in the company financial statements. Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

(e) Financial instruments issued by the company

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Compound instruments

The component parts of compound instruments are classified separately as liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible debt. The equity component initially brought to account is determined by deducting the amount of the liability component from the amount of the compound instrument as a whole.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

1. SUMMARY OF ACCOUNTING POLICIES (cont'd)

(e) Financial instruments issued by the company (cont'd)

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

(f) Foreign currency

Foreign currency transactions

All foreign currency transactions during the financial period are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise except that:

i. exchange differences which relate to assets under construction for future productive use are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings;

ii. exchange differences on transactions entered into in order to hedge certain foreign currency risks; and

iii. exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

Foreign operations

On consolidation, the assets and liabilities of the consolidated entity's overseas operations are translated at exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are recognised in the foreign currency translation reserve, and recognised in profit or loss on disposal of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after the date of transition to A-IFRS are treated as assets and liabilities of the foreign entity and translated at exchange rates prevailing at the reporting date. Goodwill arising on acquisitions before the date of transition to A-IFRS is treated as an Australian dollar denominated asset.

1. SUMMARY OF ACCOUNTING POLICIES (cont'd)

(g) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables which are recognised inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(h) Impairment of assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

1. SUMMARY OF ACCOUNTING POLICIES (cont'd)

(i) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items. In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

1. SUMMARY OF ACCOUNTING POLICIES (cont'd)

(i) Income tax (cont'd)

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(j) Intangible asset

Patents, trademarks and licences

Patents, trademarks and licences are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over their estimated useful lives of 5 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Internally–generated intangible assets

Internally-generated intangible assets are stated at cost less accumulated amortisation and impairment, and are amortised on a straight-line basis over their useful lives as follows:

- capitalised development costs 5 years

Intangible assets acquired in a business combination

All potential intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair value can be measured reliably.

1. SUMMARY OF ACCOUNTING POLICIES (cont'd)

(k) Inventories

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.

(l) Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Consolidated entity as lessee

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease incentives

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(m) Payables

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

1. SUMMARY OF ACCOUNTING POLICIES (cont'd)

(n) Functional and presentation currency

Functional currency is in US dollars as all group sales are denominated in US dollars and to US based customers. Presentation currency is also in US dollars as the Directors consider it is more appropriate given the history of the Consolidated entity, its principal place of business and its functional currency.

(o) Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 127 'Consolidated and Separate Financial Statements'. A list of subsidiaries appears in note 27 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceeds the cost of acquisition, the deficiency is credited to profit and loss in the period of acquisition.

The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

The consolidated financial statements include the information and results of each subsidiary from the date on which the company obtains control and until such time as the company ceases to control such entity. The consolidated financial statements have been accounted for as reverse acquisition of companies under common control and the consolidated financial statements have been prepared using the reverse acquisition accounting method. Refer to "Reverse acquisition" in "Basis of Preparation section in Note 1".

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

(p) Property, plant and equipment

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. 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 estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

1. SUMMARY OF ACCOUNTING POLICIES (cont'd)

(p) Property, plant and equipment (cont'd)

The following estimated useful lives are used in the calculation of depreciation

Leasehold improvements	Over terms of lease from 5 - 10 years
Plant and equipment	5 - 10 years
Furniture, fittings and office equipment	3 - 5 years
Motor vehicles	5 - 10 years

(q) Provisions

Provisions are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Warranties

Provisions for warranty costs are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the consolidated entity's liability.

(r) Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered to buyers' forwarders which is taken to be the point in time when the buyers have accepted the goods and the related risks and rewards of ownership. Other sales are recognised by reference to the stages of completion of software contracts upon the full implementation and acceptance of the software at the customers premises.

Rendering of services

Rendering of services is commission income recognised upon completion of services rendered to fabric suppliers and garments manufacturers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

1. SUMMARY OF ACCOUNTING POLICIES (cont'd)

(r) Revenue recognition (cont'd)

Dividend and interest revenue

Dividend revenue is recognised on a receivable basis. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(s) Share based payments

Equity-settled share-based payments granted after 7 November 2002 that were unvested as of 30 June 2007, are measured at fair value at the date of grant. Fair value has been measured as the difference between the share price at grant date and the strike price of zero. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the consolidated entity's estimate of shares that will eventually vest.

2. ADOPTATION OF NEW AND REVISED ACCOUNTING STANDARDS

In the current year, 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 its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has resulted in changes to the Group's accounting policies in the following areas that have affected the amounts reported for the current or prior years:

Accounting for financial guarantees

The Australian Accounting Standards Board ('AASB') released AASB 2005-9 'Amendments to Australian Accounting Standards' in September 2005. AASB 2005-9 amends AASB 139 'Financial Instruments: Recognition and Measurement' to require certain financial guarantee contracts to be recognised in accordance with AASB 139 at fair value, and to be subsequently measured at the higher of the amount recognised as a provision and the amount initially recognised less cumulative amortisation in accordance with the revenue recognition policies.

The changes introduced by AASB 2005-9 apply to reporting periods beginning on or after 1 January 2006. These changes were first applied by GLG Corp Ltd for the period ending 30 June 2007. GLG Corp Ltd and the Consolidated entity is party to a number of financial guarantee contracts. The application of these amendments will result in such financial guarantee contracts being recognised at fair value and subsequently being measured at the higher of the amount recognised as a provision and the amount initially recognised less cumulative amortisation in accordance with the revenue recognition policies.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

2. ADOPTATION OF NEW AND REVISED ACCOUNTING STANDARDS (cont'd)

Accounting for financial guarantees (cont'd)

The impact of this change in accounting policy in the consolidated financial statements at the beginning of the comparative period is that a capital reserve of US$77.8 thousand and the associated deferred tax liabilities of US$20.4 thousand was recognized for the financial contracts, adjusted against opening retained earnings. Profit for the financial year ended 30 June 2007 is US$107.2 thousand lower under the new policy and capital reserve as at 30 June 2007 is higher by US$85.0 thousand under the new accounting policy as a result of movements in the fair value of the financial liabilities recognized.

The impact of this change in accounting policy in the company financial statements at the beginning of the comparative period is that receivables of US$68.0 thousand and the associated deferred tax liabilities of US$20.4 thousand was recognized for the financial contracts, adjusted against opening retained earnings. Profit for the financial year ended 30 June 2007 is US$51.9 thousand higher under the new policy and receivables as at 30 June 2007 is higher by US$74.2 thousand under the new accounting policy as a result of movements in the fair value of the financial liabilities recognized.

At the date of authorisation of the financial report, the following Standards and Interpretations were in issue but not yet effective:

• AASB 7 'Financial Instruments: Disclosures' and consequential amendments to other accounting standards resulting from its issue	Effective for annual reporting periods beginning on or after 1 January 2007
• AASB 101 'Presentation of Financial Statements' – revised standard	Effective for annual reporting periods beginning on or after 1 January 2007
• Interpretation 7 'Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies'	Effective for annual reporting periods beginning on or after 1 March 2006
• Interpretation 8 'Scope of AASB 2' after 1 May 2006	Effective for annual reporting periods beginning on or
• Interpretation 9 'Reassessment of Embedded Derivatives'	Effective for annual reporting periods beginning on or after 1 June 2006
• Interpretation 10 'Interim Financial Reporting and Impairment'	Effective for annual reporting periods beginning on or after 1 November 2006
• AASB 8 'Operating Segments'	Effective for annual reporting periods beginning on or after 1 January 2009

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the company or the Group.

These Standards and Interpretations will be first applied in the financial report of the Group that relates to the annual reporting period beginning after the effective date of each pronouncement, which will be the company's annual reporting period beginning on 1 July 2007.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 1, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. PROFIT FROM OPERATIONS

	Consolidated		Company	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
(a) Revenue				
Revenue from continuing operations consisted of the following items:				
Revenue from the sale of goods	220,632	197,776	–	–
Revenue from the rendering of services	1,295	1,641	–	–
Total Revenue	221,927	199,417	–	–
Other income				
Interest revenue:				
Bank deposits	25	62	10	31
Other	288	327	–	–
	313	389	10	31
Dividends:				
Subsidiary	–	–	5,000	5,000
Other	400	262	53	–
	713	651	5,063	5,031
	222,640	200,068	5,063	5,031
Attributable to discontinued operations				
Other income	10	9	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

4. PROFIT FROM OPERATIONS (cont'd)

	Consolidated		Company	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
(b) Profit before income tax				
Profit before income tax has been arrived at after crediting/(charging) the following gains and losses from continuing operations:				
Gain/(loss) on disposal of property, plant and equipment	–	(2)	–	–
	–	(2)	–	–
Net foreign exchange gains/(losses)	(165)	(314)	13	1
	(165)	(316)	13	1
Profit before income tax has been arrived at after charging the following expenses:				
Cost of sales	198,988	178,207	–	–
	198,988	178,207	–	–
Finance costs:				
Interest on loans	183	175	–	–
Other interest expense	670	640	–	–
Total interest expense	853	815	–	–
Line of credit charges	639	513	–	–
	1,492	1,328	–	–

4. PROFIT FROM OPERATIONS (cont'd)

	Consolidated		Company	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
(b) Profit before income tax (cont'd)				
Depreciation of non-current assets	519	554	–	–
Amortisation of non-current assets	4	77	–	–
	523	631	–	–
Operating lease rental expenses:				
Minimum lease payments	1,593	1,062	–	–
	1,593	1,062	–	–
Employee benefit expense:				
Post employment benefits:				
Defined contribution plans	404	320	–	–
Other employee benefit	6,225	5,352	–	–
Total employee benefit expenses	6,629	5,672	–	–
Finance lease expenses	16	37	–	–
Attributable to discontinued operations				
Other income	10	9	–	–
Administrative expense	(22)	(337)	–	–
Selling and distribution	–	(211)	–	–
Other operating expense	(15)	(40)	–	–
	(27)	(579)	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

5. INCOME TAXES

	Consolidated		Company	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
(a) Income tax recognised in profit or loss				
Tax expense/(income) comprises:				
Current tax expense/(income)	996	1,059	–	–
Adjustments recognised in the current period in relation to the current tax of prior years	(198)	(269)	–	–
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	–	(95)	–	–
Total tax expense	798	695	–	–
The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:				
Profit from continuing operations	8,892	10,557	4,324	4,823
Loss from discontinuing operations	(27)	(579)		
Profit from operations	8,865	9,978	4,324	4,823
Income tax expense at 30%	2,660	2,993	1,297	1,447
Non-assessable income	–	–	(1,500)	(1,500)
Non-deductible expenses	16	21	–	–
Effects of tax concessions (i)	(901)	(944)	–	–
Effects of different tax rate of overseas entities	(777)	(1,063)	–	–
Deferred tax assets not recognised	–	53	203	53
	998	1,060	–	–
Other	(2)	(96)	–	–
	996	964	–	–
(Over)/under provision of income tax in previous year	(198)	(269)	–	–
	798	695	–	–

(i) In 2003, Ghim Li Global Pte Ltd was awarded the Global Trader Program status for a period of 5 years from 1 January 2003. Subject to the terms and conditions prescribed by the Income Tax Act of Singapore and the Global Trader Program, income derived from qualifying trading transactions is taxed at the concessionary rate of 10%.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

5. INCOME TAXES (cont'd)

	Consolidated		Company	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
(b) Current tax assets and liabilities				
Current tax payable:				
Income tax payable attributable to Entities in the Group	1,053	832	–	–
	1,053	832	–	–
(c) Deferred tax balances				
Deferred tax liabilities comprise:				
Temporary differences	128	108	43	20
	128	108	43	20

Taxable and deductible temporary differences arise from the following:

	Consolidatied						
2007	Opening Balance US$'000	Charged To Income US$'000	Charged To Equity US$'000	Acquisitions /Disposals US$'000	Exchange Differences US$'000	Charges In Tax Rate US$'000	Closing Balance US$'000
Gross deferred tax liabilities							
Capital expenditure	87	(2)					85
Financial guarantee	20	–	23	–	–	–	43
	107	(2)	23	–	–	–	128
Gross deferred tax assets:							
Nil	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
	107	(2)	23	–	–	–	128

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

5. INCOME TAXES (cont'd)

Taxable and deductible temporary differences arise from the following (cont'd):

	Consolidatied						
2006	**Opening Balance US$'000**	**Charged To Income US$'000**	**Charged To Equity US$'000**	**Acquisitions /Disposals US$'000**	**Exchange Differences US$'000**	**Charges In Tax Rate US$'000**	**Closing Balance US$'000**
Gross deferred tax liabilities							
Capital expenditure	182	(95)	–	–	–	–	87
Financial guarantee	–	21	–	–	–	–	21
	182	(74)	–	–	–	–	108
Gross deferred tax assets:							
Nil	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
	182	(74)	–	–	–	–	108

	Consolidated		Company	
	2007 US$'000	**2006 US$'000**	**2007 US$'000**	**2006 US$'000**
Unrecognised deferred tax balance				
The following deferred tax assets have not been brought to account as assets:				
Tax losses – revenue	–	53	203	53
Temporary differences	324	405	324	405
	324	458	527	458

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

6. KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Key management personnel compensation policy

In relation to senior management the Nomination and Remuneration committee reviews remuneration policies and practices and makes recommendations to the Board regarding their approval. In relation to the Executive Chairman, Chief Executive Officer and the Chief Financial Officer, the Nomination and Remuneration committee determines and makes recommendations to the Board on remuneration packages and other terms of employment having regard to the need to attract, retain and develop appropriately skilled people. Remuneration of the senior management team is reviewed on an annual basis having regard to personal and corporate performance and relevant comparative information.

The remuneration of non-executive directors may not exceed in aggregate in any financial period the amount fixed by the company at the general meeting. Each executive director of the company has entered into a service agreement with Ghim Li Global Pte Ltd. They are not remunerated separately for being a Director or executive of the company or other operating entities. Each executive director receives a salary per annum. They may also be entitled to an annual bonus determined by the Nomination and Remuneration committee, in its absolute discretion. Each key manager also receives a salary per annum and may also be entitled to an annual bonus determined by the Chief Executive Officer or the Chairman, reviewed by the Nomination and Remuneration Committee, and approved by the Board at the Board's absolute discretion.

Key Management Personnel details

The directors of GLG Corp Ltd during the period were:

- Estina Ang Suan Hong (Chairman and Chief Executive Officer)
- Samuel Scott Weiss (Non-executive Deputy Chairman and Independent Director)
- Eu Mun Leong (Director and Chief Financial Officer)
- Christopher Chong Meng Tak (Independent Director)
- Ernest Seow Teng Peng (Independent Director)
- Yong Yin Min (Director)

Other key management personnel of GLG Corp Ltd during the period were:

- Candida Chung Choon Nai (Chief Operating Officer) appointed [1 September 2006], resigned [27 July 2007]
- Agnes Ng Moi Ngw (Chief Operating Officer Textiles)
- Peter Tay Teck Keng (Chief Operating and Business Development officer) resigned [4 May 2007]
- Surina Gan Meng Hui (Chief Operating Officer Textiles)
- Lee Kim Ho (Sales and Marketing Manager)
- Julie Tan Kar Hian (Sales and Marketing Manager)
- Ricky Fok Chor Lim (Regional Head-Hong Kong) resigned [30 September 2006]

The details of key management personnel remuneration have been transferred to the remuneration report section of the directors' report.

6. KEY MANAGEMENT PERSONNEL COMPENSATION (cont'd)

(b) Key management personnel compensation

The aggregate compensation of the key management personnel of the consolidated entity and the company is set out below:

	Consolidated		Company	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
Short-term employee benefits	1,489,395	1,102,041	126,933	70,804
Post-employment benefits	36,963	44,003	–	–
Share Based Payments	91,044	69,534	91,044	69,534
	1,617,402	1,215,578	217,977	140,338

*In the previous year, part of the compensation amounting to US$153 thousand was recharged to other entities outside the group for services rendered.

7. SHARE OPTION PLAN

In respect of each independent director, upon listing of the company, Ghim Li Group Pte Ltd (ultimate parent entity of GLG Corp Ltd) agreed to assign 300,000 shares to an escrow agent on or before 11 October 2006. Each Independent Director is entitled to receive up to 100,000 of these GLG Corp Ltd shares for nil consideration, receivable as follows:

Upon the first anniversary of their appointment	33,333 shares for 1 year's continuous service as a Director
Upon the second anniversary of their appointment	33,333 shares for 2 year's continuous service as a Director
Upon the third anniversary of their appointment	33,333 shares for 3 year's continuous service as a Director

The purpose of the share options are to:
- Provide long term incentive to each independent director to remain with the group
- Improve the long term performance of the company

There is an arrangement between GLG Corp Ltd and Ghim Li Group Pte Ltd whereby GLG Corp Ltd compensates Ghim Li Group Pte Ltd for the fair value of the share options, as determined at grant date when the shares are transferred to the independent directors of GLG Corp Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

7. SHARE OPTION PLAN (cont'd)

The following reconciles the outstanding share options granted under the share option plan at the beginning and end of the financial year:

	2007		2006	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average 2006 US$'000
Balance at beginning of financial year	300,000	–	–	–
Granted During the financial year	–	–	300,000	–
Forfeited during the financial year	–	–	–	–
Exercised during the financial year	66,666	–	–	–
Balance at end of the financial year	233,333	–	300,000	–
Exercisable at end of the financial year	33,333	–	–	–

8. REMUNERATION OF AUDITORS

	Consolidated		Company	
	2007 US$	2006 US$	2007 US$	2006 US$
Auditor of the parent entity				
Audit or review of the financial report	64,361	49,517	64,361	49,517
Other non- audit services-IPO	–	263,475	–	263,475
	64,361	312,992	64,361	312,992
Other auditors				
Auditing the financial report	113,956	83,001	–	–
Review of the financial report	–	57,717	–	–
Taxation services	9,948	8,941	–	–
Other non-audit services	–	–	–	–
Other non audit services-IPO	–	36,316	–	–
	123,904	185,975	–	–

The auditor of *GLG Corp Ltd* is Deloitte Touche Tohmatsu.

Other auditors are Deloitte & Touche Singapore, Deloitte & Touche Guatemala, Deloitte & Touche Hong Kong, Rachel Liang-Tan, CPA, Inc.

9. CURRENT TRADE AND OTHER RECEIVABLES

	Consolidated		Company	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
Trade receivables				
Third parties (i)	18,417	21,361	–	–
Other party–GLIT group (ii)	38,453	15,262	–	–
Related Parties (ii)	6,548	8,066	5,116	5,000
Allowance for doubtful debts	–	–	–	–
	63,418	44,689	5,116	5,000
Less:				
Payable to Other Party–GLIT group (ii)	(9,173)	(592)	–	–
Payable to Related Parties	–	–	–	–
Bills Payable (i)	(6,182)	(6,575)	–	–
Trust Receipts related to Other party–GLIT group (ii)	(22,511)	(14,670)	–	–
Trust Receipts related to Related Parties (ii)	(3,263)	(6,023)	–	–
	22,289	16,829	5,116	5,000

(i) Third parties offset: When GLG receives an order from a customer, it either receives a letter of credit or an open account for the customer. Upon completion of the order, GLG converts this letter of credit or open account into a bill payable with a bank. GLG will then use the cash to pay its creditors. When the letter of credit matures or the customer pays off the open account, the bank will offset funds from the third party trade receivable against bills payable.

(ii) Other party-GLIT and Related Parties offsets: Presently and reflected in the Balance Sheet at 30 June 2007 when Other Party-GLIT buys fabric from textile mills GLG issues a letter of credit on their behalf. In order to maximize the discounts available, GLG converts for Other Party-GLIT the letter of credit it has issued into a Trust Receipt.

The bank will immediately pay the textile mill. After completion of the apparel order, Other Party-GLIT invoices GLG and a trade payable is recorded. GLG immediately has a legally enforceable right to offset the amount owed by Other Party-GLIT and settle the balance, if any, with Other Party-GLIT on a net basis.

The offset takes place between 90 days to 120 days depending on the date of maturity of the Trust Receipt. A similar offset arrangement has been made with Related Parties transactions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

10. OTHER CURRENT ASSETS

	Consolidated		Company	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
Prepayments	825	693	88	99
	825	693	88	99

11. NON-CURRENT TRADE AND OTHER RECEIVABLES

	Consolidated		Company	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
Trade receivables – Other Party–GLIT group (i)	3,404	6,804	–	–
	3,404	6,804	–	–

(i) The long term receivable is an amount owed by Other Party-GLIT to GLG arising from the sale of Other Party-GLIT during the restructure of Ghim Li Group Pte Ltd. The amount is repayable at the end of 3 years starting from 1 July 2009. Other Party-GLIT is charged commercial rates of interest on the amount owed, based on a margin above Singapore Inter-Bank Offer Rate (SIBOR). Other Party-GLIT may repay the monies early without penalty. Ghim Li Group Pte Ltd, the ultimate parent of GLG Corp Ltd has guaranteed the repayment in the event of a default by Other Party-GLIT. In October 2006, GLIT repaid US$3,400,000 leaving a balance of US$3,404,000.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

12. PROPERTY, PLANT AND EQUIPMENT

	Consolidatied				
	Leasehold improvements at cost US$'000	Plant & Machinery at cost US$'000	Furniture Fittings and office equipment at cost US$'000	Motor Vehicles at cost US$'000	Total US$'000
Gross carrying amount					
Balance at 1 July 2005	266	88	2,479	723	3,556
Additions	42	13	417	9	481
Disposals	–	(5)	(34)	(337)	(376)
Balance at 1 July 2006	308	96	2,862	395	3,661
Additions	10	1	533	102	646
Disposals	–	(5)	(54)	(30)	(89)
Balance at 30 June 2007	318	92	3,341	467	4,218
Accumulated depreciation/ amortization and impairment					
Balance at 1 July 2005	162	31	1,372	144	1,709
Disposals	–	(3)	(26)	(160)	(189)
Depreciation expense	12	10	397	135	554
Balance at 1 July 2006	174	38	1,743	119	2,074
Disposals	–	(1)	(23)	(21)	(45)
Depreciation expense	23	10	363	123	519
Balance at 30 June 2007	198	47	2,083	221	2,548
Net book value					
As at 30 June 2006	134	58	1,119	276	1,587
As at 30 June 2007	121	45	1,258	246	1,670

Aggregate depreciation allocated during the period is recognised as an expense and disclosed in Note 4 to the financial statements.

The parent entity has no property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

13. OTHER INTANGIBLE ASSETS

	Consolidated			
	Capitalised development US$'000	Other Costs US$'000	Intellectual Property US$'000	Total US$'000
Gross carrying amount				
Balance at 1 July 2005	–	1	533	534
Additions	133	4	92	229
Balance at 1 July 2006	133	5	625	763
Disposals	(133)	(5)	(625)	(763)
Balance at 30 June 2007	–	–	–	–
Accumulated amortisation and impairment				
Balance at 1 July 2005	–	–	–	–
Amortisation expense (i)	(13)	(1)	(63)	(77)
Balance at 1 July 2006	(13)	(1)	(63)	(77)
Additions	–	(4)	–	(4)
Disposals	13	5	63	81
Balance at 30 June 2007	–	–	–	–
Net book value				
As at 30 June 2006	120	4	562	686
As at 30 June 2007	–	–	–	–

(i) Amortisation expense is included in the line item Administration expenses in the income statement.

Capitalised development consisted of salaries and overhead expenses relating to development and further upgrades of the hardware and software of a shop floor inventory and payroll system.

Intellectual property consisted of costs incurred in the acquisition of computer source codes, licenses and a shop floor inventory and payroll system.

14. CURRENT TRADE AND OTHER PAYABLES

	Consolidated		Company	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
Trade payables (i)	2,060	2,509	61	14
Other payables	–	–	185	587
Accruals	1,579	880	88	60
	3,639	3,389	334	661

(i) The consolidated entity has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

15. CURRENT BORROWINGS

	Consolidated		Company	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
Secured				
At amortised cost:				
Bank overdrafts (i)	–	–	–	–
Bank loans (ii) (iii)	635	567	–	–
Trust receipts (i), (iv) (Gross)	25,774	25,374	–	–
Bills payable (v)	–	–	–	–
Finance lease liabilities (iii)	120	71	–	–
	26,529	26,012		
Less Trust receipt - offsetable	(25,774)	(20,693)		
Total	755	5,319	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

15. CURRENT BORROWINGS (cont'd)

(i) Secured by corporate guarantee from Ghim Li Group Pte Ltd and Ghim Li Holdings Co. Pte Ltd; Joint and several personal guarantees by Estina Ang (Director) and Surina Gan (Director).
(ii) The bank loan is repayable by a reducing balance method of 60 monthly average installments of US$63,749.75 (30 June 2006: US$59,335). The average effective interest rate charge is 7.9172% per annum.
(iii) Secured by corporate guarantee from Ghim Li Group Pte Ltd and Ghim Li Holding Co. Pte Ltd and personal guarantee by Estina Ang (Director).
(iv) Trust Receipts not offsettable US$nil thousand (30 June 2006: nil thousand); Trust Receipts offsettable US$20,693 thousand (30 June 2006: US$20,693 thousand). See note 9.
(v) Bills payable not offsettable US$nil (30 June 2006: US$nil); Bills payable offsettable US$6,182 thousand (30 June 2006: US$6,575 thousand). See note 9.

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

	2007	2006
Bank overdrafts	US prime rate	US prime rate
Bank loans	7.92%p.a.	7.92%p.a.
Trust receipts	1 - 5mths US SIBOR + (1% - 1.75%)	1 - 5mths US SIBOR + (1% - 1.75%)
Finance lease liabilities	4.60%p.a.	4.60%p.a.
Bills payable	6.67%	5.64%

16. NON-CURRENT BORROWINGS

	Consolidated		Company	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
Secured				
At amortised cost:				
Bank loans (i)	1,370	1,937	–	–
Finance lease liabilities (ii)	223	271	–	–
	1,593	2,208	–	–

(i) Refer to note 15(ii), 15(iii)
(ii) Refer to note 13(iii)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

17. ISSUED CAPITAL

	Consolidated		Company	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
74,100,000 (2006: 74,100,000) fully paid ordinary shares	10,193	10,193	53,483	53,483

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.

	Consolidated		Consolidated	
	No. '000	2007 US$'000	No. '000	2006 US$'000
Fully paid ordinary shares				
Balance at beginning of financial period	74,100	10,193	–	–
Issue of shares under reverse acquisition & IPO	–	–	74,100	11,544
IPO expenses	–	–	–	(1,351)
Balance at end of financial period	74,100	10,193	74,100	10,193

	Company		Company	
	No. '000	2007 US$'000	No. '000	2006 US$'000
Fully paid ordinary shares				
Balance at beginning of financial period	74,100	53,483	–	–
Issue of shares under reverse acquisition & IPO	–	–	74,100	54,834
IPO expenses	–	–	–	(1,351)
Balance at end of financial period	74,100	53,483	74,100	53,483

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

18. RESERVES

	Consolidated 2007 US$'000	Consolidated 2006 US$'000	Company 2007 US$'000	Company 2006 US$'000
Hedging	–	–	–	–
Hedging reserve				
Balance at beginning of financial period	–	(335)	–	–
Transferred to initial carrying amount of hedged item:				
Forward exchange contracts	–	335	–	–
Balance at end of financial period	–	–	–	–
Share based payment reserve				
Balance at beginning of financial period	–	–	–	–
Share based payment recognition	160	–	160	–
Balance at end of financial period	160	–	160	–
Financial guarantees reserve				
Balance at beginning of financial period	78	–	–	–
Financial guarantees fee recognition	85	78	–	–
Balance at end of financial period	163	78	–	–
Total	323	78	160	–

19. RETAINED EARNINGS

	Consolidated 2007 US$'000	Consolidated 2006 US$'000	Company 2007 US$'000	Company 2006 US$'000
Balance at beginning of financial period	9,549	365	4,871	–
Dividends paid	(4,594)	–	(4,594)	–
Recognition of Financial Guarantee	–	(99)	–	48
Net profit attributable to members of the parent entity	8,067	9,283	4,324	4,823
Balance at end of financial period	13,022	9,549	4,601	4,871

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

20. EARNINGS PER SHARE

	Consolidated	
	2007 Cents per share	**2006 Cents per share**
Basic earnings per share:		
Total basic earnings per share	10.89	13.85
Diluted earnings per share:		
Total diluted earnings per share	10.89	13.85

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:

	2007 US$'000	**2006 US$'000**
Earnings (a)	8,067	9,283
Earnings from continuing operations (a)	8,067	9,283

	2007 US$'000	**2006 No.'000**
Weighted average number of ordinary shares for the purposes of basic earnings per share (b)	74,100	67,005

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

20. EARNINGS PER SHARE (cont'd)

(a) Earnings used in the calculation of total diluted earnings per share and diluted earnings per share from continuing operations reconciles to net profit in the income statement as follows:

	Consolidated	
	2007 US$'000	2006 US$'000
Net profit	8,067	9,283
Earnings used in the calculation of basic EPS	8,067	9,283
Earnings used in the calculation of basic EPS from continuing operations	8,067	9,283

(b) The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	Consolidated	
	2007 US$'000	2006 US$'000
Weighted average number of ordinary shares used in the calculation of basic EPS	74,100	67,005
Weighted average number of ordinary shares used in the calculation of diluted EPS	74,100	67,005

21. FINANCIAL INSTRUMENTS

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(b) Financial risk management objectives

The consolidated entity co-ordinates access to domestic and international financial markets, and manages the financial risks relating to the operations of the consolidated entity.

The consolidated entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the consolidated entity's policies approved by the board of directors, which provide written principles on the use of financial derivatives. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis.

The consolidated entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The consolidated entity minimizes its financial risk of changes in foreign currency exchange rate through the natural hedge of matching its revenues and purchases in US dollars and matching of its assets and liabilities in US dollars.

(c) Foreign currency risk management

The consolidated entity minimizes its financial risk of changes in foreign currency exchange rate through the natural hedge of matching of its significant portion revenues and purchases in US dollars and matching of a significant portion of its assets and liabilities in US dollars. The group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

21. FINANCIAL INSTRUMENTS (cont'd)

(c) Foreign currency risk management (cont'd)

Forward foreign exchange contracts

It is the policy of the consolidated entity to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts within 80% to 100 % of the exposure generated. The consolidated entity also enters into forward foreign exchange contracts to manage the risk associated with anticipated purchase transactions and expenses out to 6 months within 30 % to 50 % of the exposure generated. Basis adjustments are made to the carrying amounts of non-financial hedged items when the anticipated sale or purchase transaction takes place.

The consolidated entity does not have any outstanding forward foreign exchange contracts as at the financial period ended 30 June 2007.

Maturity profile of financial instruments

The following table details the consolidated entity's exposure to interest rate risk as at 30 June 2007.

The consolidated entity is exposed to interest rate risk as it borrows funds at both fixed and floating rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings.

	Consolidatied							
	Less than 1 year	1-2 years	2-3 years	3 years	4-5 years	5+ years	Non Interest bearing	Total
2007	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Financial assets:								
Cash and cash equivalents	–	–	–	–	–	–	2,518	2,518
Trade receivables	–	–	–	–	–	–	22,289	22,289
Other receivables (i)	–	3,404	–	–	–	–	–	3,404
	–	3,404	–	–	–	–	24,807	28,211
Financial liabilities:								
Trade payables	–	–	–	–	–	–	2,060	2,060
Bank loans (ii)	635	687	585	98	–	–	–	2,005
Finance lease (iii)	102	82	84	61	15	–	–	344
Trust receipts (iv)	–	–	–	–	–	–	–	–
	737	769	669	159	15	–	2,060	4,409

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

21. FINANCIAL INSTRUMENTS (cont'd)

(c) Foreign currency risk management (cont'd)

Maturity profile of financial instruments (cont'd)

The following table details the consolidated entity's exposure to interest rate risk as at 30 June 2006.

	Consolidatied							
2006	Less than 1 year US$'000	1-2 years US$'000	2-3 years US$'000	3 years US$'000	4-5 years US$'000	5+ years US$'000	Non Interest bearing US$'000	Total US$'000
Financial assets:								
Cash and cash equivalents	–	–	–	–	–	–	5,077	5,077
Trade receivables	–	–	–	–	–	–	16,829	16,829
Other receivables (i)	–	–	6,804	–	–	–	–	6,804
	–	–	6,804	–	–	–	21,906	28,710
Financial liabilities:								
Trade payables	–	–	–	–	–	–	2,509	2,509
Bank loans (ii)	567	613	664	565	95	–	–	2,504
Finance lease (iii)	71	74	72	74	51	–	–	342
Trust receipts (iv)	4,681	–	–	–	–	–	–	4,681
	5,319	687	736	639	146	–	2,509	10,036

The variable interest rates were as follows:

		2007	2006
(i)	Other receivables	SIBOR + 1%	SIBOR + 1%
(ii)	Bank loans	7.92%p.a.	7.92%p.a.
(iii)	Finance lease liabilities	4.60%p.a.	4.60%p.a.
(iv)	Trust receipts	1 - 5mths US SIBOR + (1% - 1.75%)	1 - 5mths US SIBOR + (1% - 1.75%)

(d) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The consolidated entity exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded are spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the audit committee annually. The consolidated entity measures credit risk on a fair value basis

21. FINANCIAL INSTRUMENTS (cont'd)

(d) Credit risk management (cont'd)

Trade accounts receivable consist of a number of retail customers located in United States of America. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the consolidated entity's maximum exposure to credit risk without taking account of the value of any collateral obtained.

(e) Fair value of financial instruments

The directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The fair value of derivative instruments, included in hedging assets and liabilities, are calculated using quoted prices. Where such prices are not available use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments.

(f) Liquid risk management

The consolidated entity manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

22. DIVIDENDS

	2007		2006	
	Cents per share	Total US$'000	Cents per share	Total US$'000
Subsequent Events				
Unrecognised amounts				
Fully paid ordinary shares				
Proposed final fully unfranked ordinary dividend	6.20	4,594	6.20	4,594

The financial effect of the final dividend for June 2007 has not been brought to account in the financial statements for the period ended 30 June 2007 as the dividend was not declared on or before 30 June 2007 but will be recognised in subsequent financial reports.

	Company	
	2007 US$'000	2006 US$'000
Adjusted franking account balance	–	–

23. COMMITMENTS FOR EXPENDITURE

Estimated amounts committed for future capital expenditure but not provided for in the financial statements were as follows:

	Consolidated		Company	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
Capital expenditure commitments				
Plant and equipment				
Not longer than 1 year	21	66	–	–
Longer than 1 year and not longer than 5 years	–	–	–	–
Longer than 5 years	–	–	–	–
Total	21	66	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

24. CONTIGENT LIABILITIES

	Consolidated		Company	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
Contingent liabilities				
Guarantees in lieu of commercial and statutory cash deposits	216	611	–	–
Guarantees arising from Letters of credit in force	7,675	14,508	–	–
Total	7,891	15,119	–	–

A customer of a subsidiary has withheld payment of US$1.5 million for goods delivered and the subsidiary has filed a suit to recover this amount. The customer has alleged that the subsidiary had been late in the delivery of the goods thereby causing it to incur alleged losses of US$2.7 million which it is counterclaiming from the subsidiary. The counter claims are rejected by the subsidiary and merits of these counter claims can only be fully determined when all relevant documentation is available from the customer and other parties during litigation.

However, based on the evidence available to date and the opinion of legal counsel, the directors believe that they can defend the counter claims and recover the amount withheld by the customer. In the unlikely event that the customer is successful in their legal proceedings, the entity is able to recover substantially or all such losses from the manufacturers of the goods.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

25. LEASES

Disclosure for lessees

Finance lease payables

	Minimum future lease payables				Present value of minimum future lease payables			
	Consolidated		Company		Consolidated		Company	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
No later than 1 year	125	84	–	–	120	71	–	–
Later than 1 year and not later than 5 years	251	293	–	–	223	271	–	–
Later than five years		–	–	–	–	–	–	–
	376	377	–	–	343	342	–	–
Minimum future lease charges	(32)	(35)	–	–	–	–	–	–
Gross finance lease payables	344	342	–	–	343	342	–	–
Included in the financial statements as:								
Current borrowings (note 15)					120	71	–	–
Non-current borrowings (note 16)					223	271	–	–
					343	342	–	–

Operating Leases

Leasing arrangements

At the balance date, commitments in respect of non-cancellable operating leases for rental of office premises, warehouse and staff hostels were as follows:

	Consolidated	
	2007 US$'000	2006 US$'000
Non-cancellable operating lease payments		
Not longer than 1 year	1,075	1,025
Longer than 1 year and not longer than 5 years	4,568	4,320
Longer than 5 years	1,570	2,650
	7,213	7,995

The operating leases for rental of office and warehouse will increase every 3 years at the rate of 9%

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

26.ECONOMIC DEPENDENCY

The consolidated entity is sourcing its apparel manufacturing requirements mainly from the GLIT entities. The economic dependency of this arrangement is protected by the long term contracts between the GLIT entities and the consolidated entity which has first right of refusal for the production capacity of the GLIT entities

27. SUBSIDIARIES

		Ownership interest	
Name of entity	**Country of incorporation**	**2007 %**	**2006 %**
Parent entity			
GLG Corp Ltd	**Australia**		
Subsidiaries			
Escala Guatemala S.A. Reg No. 306151	Republic of Guatemala	100	100
Ghim Li Global Pte Ltd Reg No. 199904299D	Singapore	100	100
Ghim Li Global International Ltd Reg No. 746243	Hong Kong	100	100
Ghim Li Enterprise (USA) Inc. Federal ID No.954861415 California Secretary of State Incorp No.2310719	United States of America	100	100
GG Textiles Co. Pte Ltd Reg No. 200003876W	Singapore	100	100
Ghim Li International (S) Pte Ltd Reg No. 200502200W	Singapore	100	100

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

28. DISCONTINUED OPERATIONS – DISPOSAL OF SUBSIDIARIES

The subsidiaries below were disposed of during the year.

Ghim Li Delaware Corporation Inc is a contract service company for the garment industry. The company was incorporated in May 2005 in Wilmington, Delaware. The company remained inactive and was subsequently dissolved on June 28, 2007. Management believes that any monetary liability following the disposal does not have any material financial impact on the group.

Best Apparel Sourcing Corporation has been disposed of on June 30, 2007. Best Apparel Sourcing Corporation was incorporated in December 2003 in Rowland Heights, California. The company imported finished apparel from overseas and sold to the US customers. Trading operations of this company ceased in 2005.

On 1 July 2006, the Group disposed of GHZ Technologies Holdings Pte Ltd and its subsidiary GHZ Technologies Pte Ltd, which develop and market information technology hardware and software systems. Consideration for the disposal consisted of US$1.00 received in cash and an option to subscribe for a 40% shareholding in GHZ Technologies Holdings Pte Ltd. The exercise price of the option is US$1 plus post acquisition increase in capitalization and has an exercise period of three years. The fair value of the option recognised at the time of disposal has been fully impaired following a review at the financial year end.

Subsidiaries	Cost Of Investment US$'000	Effective Equity Interest Previously Held By The Group %	Place Of Incorporation Business	Principal Activities
Best Apparel Sourcing Corp Federal ID No. 20-0540131 California Secretary of State Incorp No. 2621108	664	100	United States of America	Managing the USA customs and logistics
Ghim Li Delaware Corporation Inc Reg No. 050359625-3964487	–	100	United States of America	Sales and marketing offices for sales to USA
GHZ Technologies Holding Pte Ltd Reg No. 200504857W	+	100	Singapore	Holding company for a majority owned subsidiary with intellectual property rights in information technologies
GHZ Technologies Pte Ltd Reg No. 200502200W	+	100	Singapore	Markets information technologies.

– equivalent of US$10

\+ equivalent of US$1

28. DISCONTINUED OPERATIONS - DISPOSAL OF SUBSIDIARIES (cont'd)

The combined results of the discontinued operations which have been included in the income statement are as follows.

The comparative profit and cash flows from discontinued operations have been re–presented to include those operations.

	GHZ		BAS		Delaware	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
Profit from discounted operations:						
Total revenue and income	–	274	9	289	–	–
Total cost and expenses						
Administrative expenses	–	(224)	(22)	(112)	–	(1)
Other expenses	–	(83)	(9)	(732)	(6)	(2)
Profit/(Loss) before tax	–	(33)	(22)	(555)	(6)	(3)
Attributable income tax expense	–	–	1	12	–	–
Gain/(loss) on disposal of operation*	–	–	–	–	–	–
Profit/(loss)for the year from discontinued operations	–	(33)	(21)	(543)	(6)	(3)
Cash flows from discontinued operations:						
Net cash flows from operating activities	–	–	(11)	(417)	–	–
Net cash flows from investing activities	–	–	–	–	–	–
Net cash flows from financing activities	–	–	–	–	–	–
Net cash flows	–	–	(11)	(417)	–	–

29. SEGMENT INFORMATION

GLG operates predominantly in one industry and geographical segment which is the sale of knitwear apparel to the United States market.

30. RELATED PARTY DISCLOSURES

(a) Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 27 to the financial statements

(b) Key management personnel remuneration

Details of key management personnel remuneration are disclosed in the remuneration report on pages 30 to 34 of the directors' report and in notes 6 and 7.

i. Key management personnel equity holdings

Fully paid ordinary shares of GLG Corp Ltd

	Balance At 1 July No.	Granted As Compensation No.	Received On Exercise Of Options No.	Net Other Change No.	Balance At 30 June No.
2007					
Estina Ang Suan Hong	54,860,000	–	–	(66,666)	54,793,334
Samuel Scott Weiss	20,000	–	33,333		53,333
Eu Mun Leong	16,000	–	–		16,000
Christopher Chong Meng Tak	–	–	–	–	
Ernest Seow Teng Peng	–	–	33,333		33,333
2006					
Estina Ang Suan Hong	54,860,000	–	–	–	54,860,000
Samuel Scott Weiss	20,000	–	–	–	20,000
Eu Mun Leong	16,000	–	–	–	16,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

30. RELATED PARTY DISCLOSURES (cont'd)

(b) Key management personnel remuneration (cont'd)

i. Key management personnel equity holdings (cont'd)

Share options of GLG Corp Ltd

	Balance At 1 July No.	Granted As Compensation No.	Excercised No.	Net Other Change No.	Balance At 30 June No.	Balance Vested At 30 June No.	Vested But Non-exercisable No.	Vested And Exercisable No.	Options Vested During Year No.
2007									
Samuel Scott Weiss	99,999	–	(33,333)	–	66,666	–	–	–	33,333
Christopher Chong Meng Tak	99,999	–	–	–	99,999	–	–	–	33,333
Ernest Seow Teng Peng	99,999	–	(33,333)	–	66,666	–	–	–	33,333
2006									
Samuel Scott Weiss	–	99,999	–	–	99,999	–	–	–	–
Christopher Chong Meng Tak	–	99,999	–	–	99,999	–	–	–	–
Ernest Seow Teng Peng	–	99,999	–	–	99,999	–	–	–	–

All share options issued to key management personnel were made in accordance with the provisions of the employee share option plan.

During the financial year, 66,666 options (2006: nil) were exercised by key management personnel at an exercise price of nil per option for 66,666 ordinary shares in GLG Corp Ltd (2006: nil). No amounts remain unpaid on the options exercised during the financial year at year end.

Further details of the employee share option plan and of share options granted during the 2007 and 2006 financial years are contained in note 7 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

30. RELATED PARTY DISCLOSURES (cont'd)

(c) Transactions with other related parties

Other related parties include:

- the parent entity;
- entities with joint control or significant influence over the consolidated entity;
- associates;
- joint ventures in which the entity is a venturer;
- subsidiaries;
- key management personnel of Ghim Li Group Pte Ltd; and
- other related parties.

No amounts were provided for doubtful debts relating to debts due from related parties at reporting date.

Amounts receivable from and payable to these related parties are disclosed in note 9 to the financial statements.

Transactions involving other related parties

During the financial period, commission revenue on normal commercial terms and conditions received from Maxim Textiles Technology Pte Ltd, subsidiary of GLG's parent entity Ghim Li Group Pte Ltd, was nil (2006:US$ 172 thousand).

(d) Parent entities

The Australia parent entity in the consolidated entity is GLG Corp Ltd.

31. SUBSEQUENT EVENTS

There have been no material events subsequent to the period ended 30 June 2007.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

32. NOTES TO THE CASH FLOW STATEMENT

	Consolidated		Company	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
(a) Reconciliation of cash and cash equivalents				
For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial period as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:				
Cash and cash equivalents	2,518	5,077	7	526
Bank overdraft	–	–	–	–
	2,518	5,077	7	526

	Consolidated		Company	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
(b) Financing facilities				
Unsecured bank overdraft facility, reviewed annually and payable at call:				
• amount used	–	–	–	–
• amount unused	630	2,026	–	–
	630	2,026	–	–
Secured bank loan facilities with various maturity dates and which may be extended by mutual agreement:				
• amount used	44,581	47,054	–	–
• amount unused	45,432	33,853	–	–
	90,013	80,907	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007

32. NOTES TO THE CASH FLOW STATEMENT (cont'd)

	Consolidated		Company	
	2007 US$'000	2006 US$'000	2007 US$'000	2006 US$'000
(c) Reconciliation of profit for the period to net cash flow from operating activities				
Profit for the period	8,067	9,283	4,324	4,823
(Gain)/loss on sale or disposal of non-current assets	(55)	2	–	–
Depreciation and amortisation of non-current assets	523	631	–	–
Increase/(decrease) in current tax liability	221	184	–	–
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:				
(Increase)/decrease in assets:				
Current receivables	2,944	(3,690)	–	(5,000)
Current inventories	–	1,480	–	–
Other current assets	(137)	345	11	(99)
Increase/(decrease) in liabilities:				
Current payables	408	101	75	74
Other financial liabilities	246	(95)	183	–
Net cash from operating activities	12,217	8,241	4,593	(202)

ADDITIONAL STOCK EXCHANGE INFORMATION
AS AT 31 JULY 2007

Number of holders of equity securities

Ordinary share capital

- 74,100,000 fully paid ordinary shares are held by 519 individual shareholders.

All issued ordinary shares carry one vote per share

Distribution of holders of equity securities

Category (size of Holdings)			Ordinary shareholders	Option shareholders
1	–	1,000	12	–
1,001	–	5,000	432	–
5,001	–	10,000	20	–
10,001	–	100,000	41	–
100,001 and over			14	–
			519	–
Holding less than a marketable parcel			5	–

Substantial shareholders

The names of the substantial shareholders listed in the GLG Corp Ltd register as at 31 July 2007 were:

Ordinary shareholders

	Fully paid		Partly paid	
	Number	Percentage	Number	Percentage
Estina Suan Hong Ang	54,793,334	73.9%	–	–
National Nominees Limited	5,742,720	7.75%	–	–
	60,536,054	82.89%	–	–

ADDITIONAL STOCK EXCHANGE INFORMATION AS AT 31 JULY 2007

Substantial shareholders (cont'd)

Twenty largest holders of quoted equity securities

	Fully paid		Partly paid	
	Number	Percentage	Number	Percentage
Ghim Li Group Pte Ltd	50,316,001	67.90%	–	–
National Nominees Limited	5,742,720	7.75%	–	–
Cogent Nominees Pty Limited	3,165,877	4.27%	–	–
Entelechy Holdings Corporation	2,950,000	3.98%	–	–
Ghim Li Capital 1 Pte Ltd	2,222,000	3.00%	–	–
Ghim Li Capital 2 Pte Ltd	2,222,000	3.00%	–	–
Mr Yoke Min Pang	1,843,990	2.49%	–	–
Gowings Bros Limited	850,000	1.15%	–	–
J P Morgan Nominees Australia	676,888	0.91%	–	–
Gwynvill Trading Pty Limited	500,000	0.67%	–	–
Citicorp Nominees Pty Limited	364,734	0.49%	–	–
Dixson Trust Pty Limited	330,000	0.45%	–	–
ANZ Nominees Limited	271,120	0.37%	–	–
Kam Hing Piece Works Ltd	206,010	0.28%	–	–
Markess Corporate Trustee	86,000	0.12%	–	–
RBC Dexia Investor Services	81,004	0.11%	–	–
Mr Robert Thomas Bishop	80,000	0.11%	–	–
Lawncat Pty Ltd	79,164	0.11%	–	–
Mr Donald Smith	55,695	0.08%	–	–

Company secretary
Mr Shane Hartwig

Registered office
Level 5, 33 York Street
Sydney NSW 2000
Australia

Principal administration office
41, Changi South Ave 2
Singapore 486153

Share registry
Link Market Services Limited
Level 4, 333 Collins Street
Melbourne VIC 3000
Australia

CORPORATE DIRECTORY

SINGAPORE HEAD OFFICE
Ghim Li Global Pte Ltd
No. 41 Changi South Avenue 2
Singapore 486153

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Website: http://www.glgcorpltd.com
ASX Stock Code: GLE

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Samuel Scott Weiss
Eu Mun Leong
Christopher Chong Meng Tak
Ernest Seow Teng Peng
Yong Yin Min

COMPANY SECRETARY
Mr Shane Hartwig

SHARE REGISTRY
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AUDITOR OF THE COMPANY
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CAUTIONARY STATEMENT

Some statements contained in this annual report are not of historical facts but are statements of future expectation with respect to financial conditions, results of operations and business, and related plans and objectives. Such forward-looking statements are based on GLG Corp Ltd's current views and assumptions including but not limited to, prevailing economic and market conditions and currently available information. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or achievements to differ materially from those in the forward-looking statements. It should be noted that the actual performance or achievements of GLG Corp Ltd may vary significantly from such statements.

Design & Production by SILICONPLUS COMMUNICATIONS

ghim li
Group of Companies

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