GLG Corp Ltd

ACN 116 632 958

Results for Announcement to the Market
Appendix 4D – Half Year Report
Given to ASX under Listing Rule 4, 2A

Current Reporting Period - Half Year Ended 31st December 2013

Previous Reporting Period - Half Year Ended 31st December 2012

1. Highlight of Results

2. Appendix 4D Financial Statements for the Half Year ended 31 December 2013

1. Results for announcement to market

Summary financial information for the company for the six months ended 31st December 2013. Full financial details are attached to this announcement.

		Consolidated		
Summary Information	**31 –DEC-13 USD$'000**	**31 –DEC-12 USD$'000**	**Inc/(Dec) USD$'000**	**Inc/(Dec) %**
Revenue from Ordinary Activities	115,534	116,502	(968)	(0.8%)
Profit/(Loss) after Tax from Ordinary Activities	2,721	1,870	851	45.5%
Net Profit/(Loss) after Tax Attributable to Members	2,721	1,870	851	45.5%
Basic Earnings – US Cents Per Share	3.67	2.52	1.15	45.6%
Diluted Earnings – US Cents Per Share	3.67	2.52	1.15	45.6%
Net Tangible Assets – US Cents Per Share	69.01	63.67	5.34	8.4%

Dividends (Distributions)	**As per security – US Cents**	**Franked amount per security-US cents**
Dividends Paid during Year	Nil	Nil
Proposed Final Dividend	Nil	Nil
Proposed payment date for final dividend	N/A	N/A

Summary commentary on results

Directors Comments:

GLG Corp Ltd's ("GLG") net profit increased by US$851 thousand, or 45.5% to US$2,721 thousand, against a net profit of US$1,870 thousand for the corresponding period in 2012. The increase was due to saving in office rental and effective administrative management. However the decreased in revenue and weakening of gross margins resulted in gross profit declining to US$10,826 thousand from US$11,952 thousand. Both were due to a combination of factors the most important of which were the decline in cotton prices, the continued weakness of the US consumer market and our need to maintain market share.

GLG's sales decreased by US$968 thousand, or 0.8% to US$115,534 thousand compared to sales of US$116,502 thousand in the corresponding period of 2012. As explained the decline in sales was mainly due to lower Freight On Board price per garment and decrease in orders from a major customer Aeropostale. Total sales ordered from Aeropostale declined by FOB US$18 million or 32.7% as compared to the prior period.

Administrative expenses decreased by US$2,088 thousand, or 24.8% to US$6,324 thousand compared to US$8,412 thousand for the corresponding period of 2012. The decrease was mainly due to a reduction in office rental and labour costs. Corresponding period included a one off reinstatement cost and pre termination expense for compensation for exiting tenancy agreement.

Other expenses decreased by US$81 thousand or 6.1% to US$1,237 thousand compared to US$1,318 thousand for the corresponding period of 2012.

The discussion that follows compares the Consolidated Statement of Cash flows for the six months to 31 December 2013 with that of 31 December 2012

GLG's cash from operating activities increased to US$3,492 thousand for the half year ended 31 December 2013 compared to US$2,005 thousand for the half year ended 31 December 2012. The increase in the cash flow from operating activities was mainly due to effective cash flow management and tight control of costs.

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.

GLG Corp Ltd

ACN 116 632 958

Financial report for the half-year ended 31 December 2013

Financial report for the half-year ended 31 December 2013

Directors' report

The Directors of GLG Corp Ltd ("GLG") submit herewith the financial report of GLG Corp Ltd and its subsidiaries for the half-year ended 31 December 2013. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

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

Estina Ang Suan Hong	Executive Chairman
Christopher Chong Meng Tak	Independent Director
Ernest Seow Teng Peng	Independent Director (retired 29 November 2013)
Thongviboon	Independent Director
Yong Yin Min	Director
Surina Gan Meng Hui	Non Executive Director (resigned as an executive director and took the position of non executive director effective 21 October 2013)

Review of operations

GLG Corp Ltd's ("GLG") net profit increased by US$851 thousand, or 45.5% to US$2,721 thousand, against a net profit of US$1,870 thousand for the corresponding period in 2012. The increase was due to saving in office rental and effective administrative management. However the decreased in revenue and weakening of gross margins resulted in gross profit declining to US$10,826 thousand from US$11,952 thousand. Both were due to a combination of factors the most important of which were the decline in cotton prices, the continued weakness of the US consumer market and our need to maintain market share.

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Auditor's independence declaration

The auditor's independence declaration is included on page 5 of the half-year 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 half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

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

On behalf of the Directors

Estina Ang Suan Hong
Executive Chairman
Singapore
25th February 2014

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Board of Directors
GLG Corp Ltd
Level 40 North Point
100 Miller Street
NORTH SYDNEY NSW 2060

25 February 2014

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 review of the financial statements of GLG Corp Ltd for the half-year ended 31 December 2013, 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 review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Carl Harris
Partner
Chartered Accountants

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent Auditor's Review Report to the members of GLG Corp Ltd

We have reviewed the accompanying half-year financial report of GLG Corp Ltd, which comprises the condensed statement of financial position as at 31 December 2013, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 8 to 16.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of GLG Corp Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of GLG Corp Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of GLG Corp Ltd is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Carl Harris
Partner
Chartered Accountants
Hobart, 25 February 2014

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; and

(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.

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

On behalf of the Directors

Estina Ang Suan Hong
Executive Chairman
Singapore
25th February 2014

Condensed consolidated statement of comprehensive income for the half-year ended 31 December 2013

	Consolidated Half-year ended 31 Dec 2013 US$'000	Consolidated Half-year ended 31 Dec 2012 US$'000
Continuing Operations		
Revenue	115,534	116,502
Cost of sales	(104,708)	(104,550)
Gross profit	**10,826**	**11,952**
Other income	432	652
Selling and distribution expenses	(485)	(488)
Administration expenses	(6,324)	(8,412)
Finance costs	(224)	(272)
Other expenses	(1,237)	(1,318)
Profit before income tax expense	**2,988**	**2,114**
Income tax expense	(267)	(244)
Profit for the period	**2,721**	**1,870**
Other comprehensive income	-	-
Total comprehensive income for the period	**2,721**	**1,870**
Earnings per share:		
From continuing and discontinued operations:		
Basic (cents per share)	3.67	2.52
Diluted (cents per share)	3.67	2.52
From continuing operations:		
Basic (cents per share)	3.67	2.52
Diluted (cents per share)	3.67	2.52

Notes to the financial statements are included on pages 13 to 16

Condensed consolidated statement of financial position as at 31 December 2013

	Note	Consolidated 31 Dec 2013 US$'000	Consolidated 30 Jun 2013 US$'000
Current assets			
Cash and cash equivalents		6,674	5,379
Trade and other receivables	3(a)	73,264	72,988
Inventory		166	245
Other assets		293	285
Other financial assets		344	344
Total current assets		**80,741**	**79,241**
Non-current assets			
Other financial assets		11,021	11,971
Property, plant and equipment		2,165	2,119
Total non-current assets		**13,186**	**14,090**
Total assets		**93,927**	**93,331**
Current liabilities			
Trade and other payables		2,983	3,623
Borrowings	3(b)	38,433	40,043
Current tax liabilities		1,106	929
Total current liabilities		**42,522**	**44,595**
Non-current liabilities			
Borrowings	3(b)	176	228
Deferred tax liabilities		87	87
Total non-current liabilities		**263**	**315**
Total liabilities		**42,785**	**44,910**
Net assets		**51,142**	**48,421**
Equity			
Issued capital		10,322	10,322
Retained earnings		40,820	38,099
Total equity		**51,142**	**48,421**

Notes to the financial statements are included on pages 13 to 16

Condensed consolidated statement of changes in equity for the half-year ended 31 December 2013

	Issued Capital	Retained Profits	Total
	US$'000	US$'000	US$'000
Consolidated			
Balance at 1 July 2012	10,322	34,984	45,306
Profit for the period	-	1,870	1,870
Balance at 31 December 2012	**10,322**	**36,854**	**47,176**
Balance at 1 July 2013	10,322	38,099	48,421
Profit for the period	-	2,721	2,721
Balance at 31 December 2013	**10,322**	**40,820**	**51,142**

Notes to the financial statements are included on pages 13 to 16

Condensed consolidated statement of cash flows
for the half-year ended 31 December 2013

	Consolidated Half-year ended 31 Dec 2013 US$'000	Consolidated Half-year ended 31 Dec 2012 US$'000
Cash flows from operating activities		
Receipts from customers	116,932	117,981
Payments to suppliers and employees	(113,221)	(115,445)
Interest and other costs of finance paid	(128)	(186)
Income tax paid	(91)	(345)
Net cash provided by operating activities	**3,492**	**2,005**
Cash flows from investing activities		
Repayment of related party loan	-	(507)
Payment for property, plant and equipment	(245)	(130)
Proceeds from disposal of property, plant and equipment	1	6
Net cash (used in) investing activities	**(244)**	**(631)**
Cash flows from financing activities		
(Repayment) of /additional borrowings	(1,422)	1,398
Repayment/ (Amounts advanced) to other parties	1,192	(1,062)
Amount advanced to related parties	(1,723)	(746)
Net cash (used in) financing activities	**(1,953)**	**(410)**
Net increase in cash and cash equivalents	**1,295**	**964**
Cash and cash equivalents at the beginning of the financial period	5,379	9,602
Cash and cash equivalents at the end of the financial period	**6,674**	**10,566**

Notes to the financial statements are included on pages 13 to 16

Notes to the condensed consolidated financial statements

1. Significant accounting policies

Statement of compliance

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

Basis of preparation

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

The company is a company of the kind referred to in ASIC Class Order 80/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2013 annual financial report for the financial year ended 30 June 2013, except for the impact of the new and revised Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards';
- AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13';

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations has not had a material impact and not resulted in changes to the Group's presentation, or disclosure in, its half-year financial statements.

1. Significant accounting policies (cont't)
Basis of preparation

Impact of the application of AASB 10

AASB 10 replaces the parts of AASB 127 'Consolidated and Separate Financial Statements' that deal with consolidated financial statements and Interpretation 112 'Consolidation – Special Purpose Entities'. AASB 10 changes the definition of control such that an investor controls an investee when a) it has power over an investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee, and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in AASB 10 to explain when an investor has control over an investee.

The application of AASB 10 has not had any material impact on the amounts recognised or disclosures contained within the consolidated financial statements.

Impact of the application of AASB 13

The Group has applied AASB 13 for the first time in the current period. AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of AASB 13 is broad; the fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other AASBs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 'Share-based Payment', leasing transactions that are within the scope of AASB 117 'Leases', and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by AASB 13 for the comparative period, the application of AASB 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Financial Instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

2. Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

GLG operates in the apparel industry and reports only one reportable segment under AASB 8 "Operating Segments".

3. Disclosure of additional information

(a) Trade receivables

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

As at	31 December 2013	30 June 2013
	US$'000	US$'000
Trade receivables		
Third parties	27,479	28,951
Other party – GLIT group	37,361	37,775
Related parties	9,636	7,781
Other receivables	1,382	1,148
Allowance for doubtful debts	(2,579)	(2,613)
Subtotal	**73,279**	**73,042**
Less:		
Payable to Related Parties	(72)	(113)
Subtotal	**73,207**	**72,929**
Goods and services tax recoverable	57	59
Total Trade and other receivables	**73,264**	**72,988**

(b) Borrowings

As at 31 December 2013

US$	within 1 year US$'000	within 1 to 5 years US$'000	After 5 years US$'000
Trust receipts (i)	36,080	-	-
Bills payable	2,263	-	-
Bank overdraft	-	-	-
Loans from:			
Term loan	-	-	-
Finance lease liabilities	90	176	-
Total borrowings	**38,433**	**176**	**-**

3. (b) Borrowings (cont't)

As at 30 June 2013

US$	within 1 year US$'000	within 1 to 5 years US$'000	After 5 years US$'000
Trust receipts (i)	38,932	-	-
Bills payable	692	-	-
Bank overdraft	328	-	-
Loans from:			
Term loan	-	-	-
Finance lease liabilities	91	228	-
Total borrowings	**40,043**	**228**	**-**

(i) Secured by corporate guarantee from Ghim Li Group Pte Ltd and negative pledge over all assets of Ghim Li Global Pte Ltd.

4. Contingent Liabilities

	31 December 2013 US$'000	30 June 2013 US$'000
Guarantees in lieu of commercial and statutory cash deposits	791	885
Guarantees arising from letters of credit in force	18,396	22,079
Total	19,187	22,964