

GLG Life Tech Limited
(Formerly Panoramic Mirrors Inc.)

Management Discussion and Analysis

For the period ending June 30, 2005

(Unaudited)

CNQ: GLGT

GLG Life Tech Limited
FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
PERIOD ENDED JUNE 30, 2005

The following discussion and analysis, prepared as of August 29, 2005, should be read in conjunction with the unaudited consolidated financial statements and related notes thereto of the Company for the six months ended June 30, 2005. The consolidated financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with Canadian generally accepted accounting principles.

The consolidated financial statements have not been audited or reviewed on behalf of the shareholders by the independent auditors of the Company. Unless otherwise specified, all financial data is presented in Canadian dollars. The reader should also refer to the audited financial statements of Grand Leaf International Limited ("Grand Leaf") for the year ended December 31, 2004.

This Management Discussion & Analysis ("MD & A") summarizes the activities of the Company to date and provides financial information for the 6 months ended June 30, 2005. It may contain forward-looking statements in respect of various matters including upcoming events. The results or events predicted in these forward-looking statements may differ materially from actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

1 Overview

- a. The Company's acquisition of Grand Leaf International Ltd., which has been accounted for as a reverse takeover (the "RTO"), completed in escrow on June 21, 2005 and the escrow condition was satisfied on June 28, 2005.
- b. The Company is in the business of procuring health products, food supplements and dietary supplements from around the world and is currently selling them to their main customer in China that currently has in excess of 100 locations. Their main customer in China is GLG International Health Products Chain Stores ("GLG")
- c. The sales of the Company are generated from the procurement activities for product that the Company sells to GLG and also from the actual gross sales of GLG.
- d. The Company is subject to international import and export regulations and the classification of products that it sells. These various regulations are subject to change at times and this could slightly delay deliver time for product which can cause work in process to remain on the books prior to being received by the Company's customer and invoiced.
- e. Since the Company is the exclusive supplier for GLG and all products sold by GLG even products not directly procured by the Company for GLG are subject to being invoiced by the Company; the growth of the Company should lag behind the sales of GLG but should also eventually at least model the percentage of growth.

- f. As a result of the financing completed by Grand Leaf on May 1, 2005 and the acquisition on June 21, 2005, the Company has a working capital of \$729,644 (compared to \$148,411 on December 31, 2004) in addition to a notes receivable of \$620,100 (compared to nil at year end 2004) as at June 30, 2005.

2 Acquisition

On June 21, 2005, GLGT completed a share exchange agreement with the shareholders of Grand Leaf and acquired all the issued and outstanding common shares of Grand Leaf. To effect this acquisition, the common shareholders of Grand Leaf exchanged their shares for common shares of GLGT at a ratio 12.58 to 1. As a result of this acquisition, the former shareholders of Grand Leaf having received 79,661,000 shares (86%) of its common share of the shares of the Company Therefore, this transaction is accounted for as an acquisition of GLGT by Grand Leaf.

For accounting purposes, the acquisition has been recorded, in accordance with the GAAP, as a reverse takeover of GLGT by Grand Leaf. Accordingly, Grand Leaf has been identified as the acquirer and, accordingly, the financial statements of the combined company reflect the continuation of Grand Leaf under the name GLG Tech Limited.

It was also agreed between the parties that on June 21, 2005, the former management of Panoramic Mirrors Inc. ("PMI") would be responsible for all the outstanding liabilities and that a license to distribute SQ mirrors worldwide with a book value of \$1 is the only asset on PMI's books at the time of acquisition. Thus the value of the issued and outstanding 13,260,000 common shares of the former Company has been valued at \$1.

With this acquisition, the Company has acquired 4 licenses and rights:

a) **Exclusive License Agreement with Dr. Zhang and Prof. Hong**

Pursuant to an agreement dated December 30, 2004, Dr. Zhang, a major shareholder of the Company, and Prof. Hong have granted the Company an exclusive world-wide license to operate the health and wellness business owned by Dr. Zhang and Prof. Hong (which includes health education and consulting services, and the marketing and distribution for retail sale of various health and nutraceutical products) and the right to sub-license such right.

An independent appraiser had completed a valuation that was approved by the Central Finance Committee in China. The Supreme Court of the Shandong Province of China had also stamped on the valuation which stated that the contract has a value of RMB ¥320,000,000 which is equivalent to \$47,392,000 in Canadian dollars. However, the Company assigns only a nominal value of \$1 to the license on its Balance Sheet for accounting purpose.

b) **Exclusive License Agreement with Prof. Jinduo Zhang**

Pursuant to an agreement dated December 30, 2004, Prof. Jinduo Zhang granted the Company the exclusive world-wide license to use the name GLG, and to sub-license such right.

c) **Supplier Agreement with GLG Health Products Chain Store Limited**

Pursuant to an agreement dated December 30, 2004, GLG Health Products Chain Store Limited ("GLG Health Products" or "Chain Stores") was appointed as an authorized retailer in China of health and nutraceutical products distributed by the Company. The

agreement also provides that all health and nutraceutical products sold by GLG Health Products must be purchased from the Company or its approved suppliers. Mrs. Yunru Zhang, a minority owner of GLG Health Products, owns approximately 13% of the Company's issued and outstanding shares.

d) **Share Transfer Agreement with the Owners of GLG Health Products**

Pursuant to an agreement dated December 30, 2004, the Company has the right, but not the obligation, to purchase ownership of GLG Health Products Chain Store Limited and all interest in its registered capital. Mrs. Yunru Zhang, a minority owner of GLG Health Products, owns approximately 13% of the Company's issued and outstanding shares.

3 Results of Operations

As at June 30, 2005, the Company has not generated any revenue other than interest income. The Company operated during the six month period and actively procured and provided product and services to GLG. The results of these activities however were only reflected in the work in progress category on the statements. The Company started shipping products to GLG in China and sending invoices in July 2005. The sales revenue recorded in July will be able to recover most of the operating expenses (except the stock-based compensation, "SBC") for the six month period ending June 30, 2005 on the Company's financial statements.

The net loss for the 6 months ended June 30, 2005 was \$1,958,187 (\$0.02 per share), which included the stock-based compensation costs of \$1,856,562 related to the granting of options to the employees and directors. Excluding the SBC, the net loss was actually \$101,625.

The 2 major expenses were \$12,741 in accounting fees and \$56,199 in professional fees and were primarily due to the acquisition process.

Comparative figures were not available for the six-month period ending June 30, 2004 as Grand Leaf was not formed until December 15, 2004.

4 Summary of Annual and Quarterly Information

The following financial data is derived from the unaudited interim consolidated financial statements of the Company for the six month period ending June 30, 2005 and for the three month period ending March 31, 2005 and the audited financial statements for the year ended December 31, 2004.

Summary of Annual and Quarterly Information

	Year Ended December 31, 2004 (Audited)	1 st Quarter Ended March 31, 2005 (Unaudited)	2 nd Quarter (3 Months) Ended June 30, 2005 (Unaudited)
Operation Data			
Other Income	(512)	(21,200)	(726)
General and Administrative Expenses	14,517	47,239	1,889,025
Loss for the period	(15,029)	(68,439)	(1,889,751)
Balance Sheet			
Cash	54,633	75,920	689,754
Pre-Paid Expenses	0	600	600
Accounts Receivables	2,296	3,451	5,324
Subscriptions Receivables	102,211	0	0
Notes Receivable	0	0	620,100
Inventory	0	0	33,966
Capital Assets	0	0	7414
License	0	4	5
Total Assets	159,140	79,975	1,357,163
Accounts Payable	10,729	0	0
Total Liabilities	10,729	0	0
Share Capital Contributed surplus	163,440	163,440	1,473,817
Deficit	0	0	1,856,562
Shareholders' Equity	(15,029)	(83,465)	(1,973,216)
	148,411	79,975	1,357,163

Note: Quarterly financial information for prior years was not available as Grand Leaf was not formed until December 15, 2005.

Two factors have caused the shift in a positive direction during the six month period ended June 30, 2005. One factor is that the RTO is now completed resulting in the company having cash to operate. Another factor is that the Company has solid exclusive agreements and is the exclusive supplier for a fast growing company in China which has one of the fastest growing economies in the world.

5 Liquidity

The Company has sufficient working capital now to operate without the need for financing in the near future. The company is monitoring its operational expenses and is using contracts to provide office, accounting and the procurement of products services. The greatest cash outlay for the company is for the procurement of products but the products are for resale at a profit. This resale of products is profit generating but the Company may need a revolving line of credit or private placement or secondary financing to fund the increasing activities in procurement of products in the future.

The Company over the next six months does not anticipate any trends or fluctuations in the sales of products to GLG to become less nor does the company see the sales increasing to the degree that it will create a need for additional financing instruments in order to procure products.

The Company's customer in China GLG maintains control of its inventory and the Company is currently not required to procure products and hold inventory. Currently the Company ships to GLG an order that will fill the specific needs of the customer and the Company does not anticipate that sales in the near future will require the Company to build and hold inventory to service those sales. The Company currently has a product delivery program and works with GLG to insure that GLG can place order with us and receive the products directly from the manufacturer or distributor. Thus the Company does not need to stock up large volume of inventory.

There are no contractual obligations giving rise to balance sheet conditions or income or cash flow items that may affect the Company's liquidity.

6 Risks and Uncertainties

Currently, the Company's sole market is China. There were no events nor are there any special projects forecasted that will alter the normal cost of doing business or the anticipated sales revenue and profits for the period going forward. There are also currently no known risks or uncertainties that the Company reasonably believes will have a negative result on the Company's sales.

There are certain risks inherent in doing business on an international level, including regulatory limitations restricting or prohibiting the provision of products and services, unexpected changes in regulatory requirements, tariffs, customs, duties and other trade barriers. There are also other potential difficulties such as staffing and managing foreign operations, longer payment cycles, problems in collecting accounts receivable, fluctuations in currency exchange rates, foreign exchange controls that restrict or prohibit repatriation of funds, technology export and import restrictions or prohibitions, delays from government agencies, seasonal reductions in business activity during the summer months in certain parts of the world and potentially adverse tax consequences resulting from operating in multiple jurisdictions with different tax laws. The Company has been structured to minimize these risks to the largest extent possible.

The Company's major competitors are international companies which produce health products as well as nutritional and dietary supplements. Some of these competitors have significantly greater financial, technical and marketing resources. In some cases, they also have a more established brand name and a larger existing customer base. There can be no assurance that the Company will be able to compete successfully against them or that such competition will not have a material adverse effect on the Company business, financial condition and results of operations. However, The Company believes that it can be competitive in the China market by drawing upon its relationships in China while assisting its authorized retailers to implement successful Western operational and marketing principles.

7 Financing

The Company has no commitment for capital expenditures now. Thus there is no need to raise any financing during the remainder of this fiscal year.

8 Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangement.

9 Related Party Transactions

- a) The Company paid legal fees, disbursements and provincial sales taxes in the amount of \$30,297 in fees, disbursements and provincial sales tax was paid to a law firm in which an officer of the Company is an associate counsel.
- b) The Company paid consulting fees in the amount of \$1,000 to an officer of the Company.

10 Financial Instruments and Other Instruments

Fair value of estimates of financial instruments is made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair value.

The Company's financial instruments consist of cash, receivables, inventories, prepaid expenses and deposits and accounts payable. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

It is management's opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

11 Subsequent Event

In July 2005, the Company recorded sales revenue of \$98,128.

12 Outstanding Share Data

As at June 30, 2005, the Company had the following outstanding securities:

- | | | |
|---------------------------|------------|-------------------------------------|
| (1) Common Shares issued: | 92,921,000 | (66,215,670 shares held in escrow) |
| (2) Stock Options: | 18,584,200 | (granted in this reporting quarter) |
| (3) Warrants: | 150,000 | (expiring on September 21, 2005) |

13 Additional Information

Additional Information relating to the Company is available on SEDAR (www.sedar.com).