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PRELIMINARY NOTES

Currency and Exchange Rate

Except where otherwise indicated, all references to currency in this Annual Information Form are to Canadian dollars.

The noon rate of exchange on March 27, 2008, as quoted by the Bank of Canada for the conversion of one China Yuan Renminbi (“RMB”) into Canadian dollars was Cdn\$0.1447 (Cdn\$0.1447 equals RMB 1)

The following tables set forth the high closing and low closing exchange rates for one RMB expressed in Canadian dollars for the years 2004 to 2007, the average of such exchange rates during such periods, and the exchange rate at the end of such periods based upon the noon rate quoted by the Bank of Canada. Such rates are set forth as Canadian dollars per one RMB.

Year	High	Low	Average	End of Period
2007	.1530	.1232	.1412	.1353
2006	.1493	.1369	.1422	.1493
2005	.1535	.1425	.1479	.1445
2004	.1688	.1423	.1573	.1454

The noon rate of exchange on March 27, 2008, as quoted by the Bank of Canada for the conversion of one United States Dollar (“US\$” or “US dollar”) into Canadian dollars was Cdn\$101.47 (Cdn\$1.0147 equals US\$1)

The following tables set forth the high closing and low closing exchange rates for one US dollar expressed in Canadian dollars for the years 2004 to 2007, the average of such exchange rates during such periods, and the exchange rate at the end of such periods based upon the noon rate quoted by the Bank of Canada. Such rates are set forth as Canadian dollars per one US dollar.

Year	High	Low	Average	End of Period
2007	1.1853	0.9170	1.0748	0.9881
2006	1.1726	1.0990	1.1341	1.1653
2005	1.2704	1.1507	1.2116	1.1659
2004	1.3968	1.1774	1.3015	1.2036

Date of Information

All information in this Annual Information Form is as of March 28, 2008, unless otherwise indicated.

Important Information

This Annual Information Form includes, and expressly identifies market and industry data that has been obtained from third party sources, including industry publications, as well as industry data prepared by management on the basis of its knowledge of and experience in these markets. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although believed to be reliable, the Company has not independently verified any of the data from third party sources. In addition the Company has not independently verified any of the industry data prepared by management of the Company.

Unless otherwise noted or unless the context otherwise indicates, “GLG Life Tech”, “GLG” or the “Company” refers to GLG Life Tech Corporation and its direct and indirect subsidiaries.

Forward-Looking Statements

Certain statements in this Annual Information Form and the information incorporated herein by reference constitute “forward-looking statements”. Such forward-looking statements include, without limitation, statements evaluating the market and general economic conditions and discussing future-oriented costs and expenditures. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes” or variations of such words and phrases or words and phrases that state or indicate that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. While we have based these forward-looking statements on our current expectations about future events, the statements are not guarantees of our future performance and are subject to risks, uncertainties, assumptions and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Such factors include amongst others the effects of general economic conditions, changing foreign exchange rates and actions by government authorities, uncertainties associated with legal proceedings and negotiations, industry supply levels, competitive pricing pressures and misjudgements in the course of preparing forward-looking statements. Specific reference is made to the risks described herein under the heading “*Risk Factors*” and to the MD&A incorporated by reference in this Annual Information Form for a discussion of these and other sources of factors underlying forward-looking statements. In light of these factors, the forward-looking events discussed in this Annual Information Form might not occur. Further, although the Company has attempted to identify factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. As there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements, readers should not place undue reliance on forward-looking statements.

CORPORATE STRUCTURE AND DEVELOPMENT OF THE BUSINESS

Name and Corporate History

The Company was incorporated on June 5, 1998 as Cheng Tai Panoramic Mirror Inc., under the *Company Act* (British Columbia). On January 25, 1999, the Company amended its memorandum to increase its authorized capital to 100,000,000 common shares (“Common Shares”) without par value. On March 1, 1999, the Company amended its articles to remove, in advance of the Company’s initial public offering of Common Shares, restrictions on the issuance of securities and on share transfers. On June 18, 1999, the Company changed its name to Panoramic Mirrors Inc. and amended its memorandum accordingly.

On June 23, 2004, the Company filed a transition application to effect its transition under the *Business Corporations Act* (British Columbia) (the “BCA”) and on July 9, 2004, the Company filed a notice of alteration to reflect the removal of the pre-existing company provisions and the adoption of new articles.

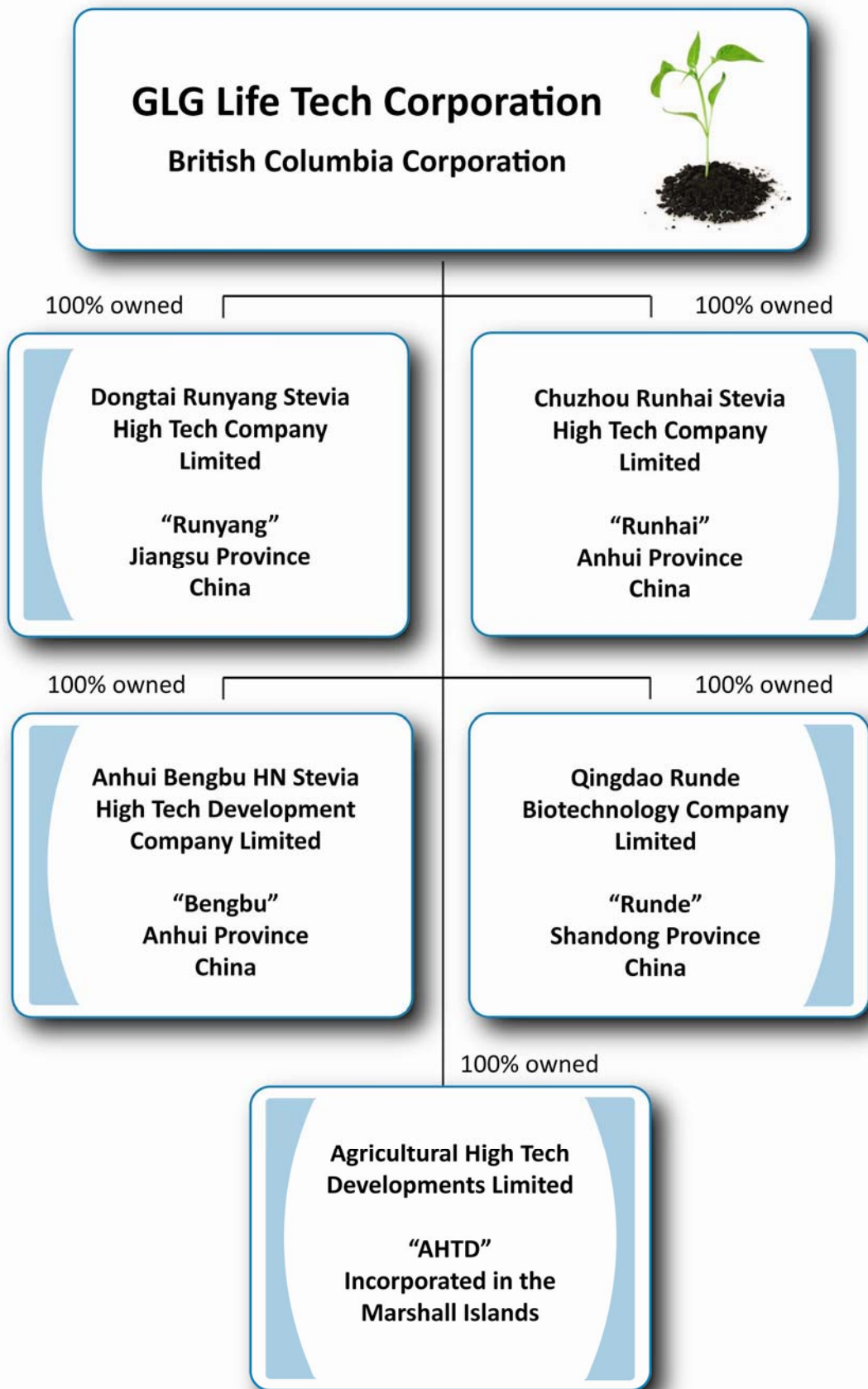
On June 16, 2005, the Company’s authorized share structure was altered from 100,000,000 Common Shares to an unlimited number of Common Shares and the Company changed its name to GLG Life Tech Limited and amended its articles accordingly.

On March 14, 2007, the Company changed its name to GLG Life Tech Corporation and amended its notice of articles accordingly, and consolidated its issued share capital on the basis of three Common Shares of GLG Life Tech Limited for every one Common Share of GLG Life Tech Corporation (the “Share Consolidation”).

The Company’s registered and head office is located at Suite 536 World Trade Centre, 999 Canada Place Vancouver, British Columbia, Canada V6C 3E2.

Intercorporate Relationships

The organization chart below sets out GLG Life Tech’s subsidiaries, as of the date hereof:



Qingdao Runde Biotechnology Company Limited (“Runde”) – Runde was acquired by GLG on December 18, 2006. Its primary business is the processing of stevia leaf into different grades of stevia extract for sale to customers worldwide. See *“Development of the Business”* and *“Business of the Company – General – Manufacturing of Stevia”*.

Anhui Bengbu HN Stevia High Tech Development Company Limited (“Bengbu”) – Bengbu was established in November 2007 as a seed base and for R&D operations for GLG in China. The seed base that was acquired from Agricultural High Tech Developments, Ltd. (“AHTD”) in December 2007 is part of the Bengbu subsidiary. See *“Development of the Business”* and *“Business of the Company – General – Manufacturing of Stevia”*.

Dongtai Runyang Stevia High Tech Company Limited (“Runyang”) – Runyang was established in November 2007 for the purpose of processing stevia leaf grown and harvested in the Dongtai region of China into stevia extract. Its initial facilities will be constructed during 2008 and are scheduled for completion in the fourth quarter of 2008. Runyang is the subsidiary of GLG that will develop the 10,000 metric ton per year stevia processing facility pursuant to the investment agreement with the Dongtai People’s Government announced in August 2007. See *“Development of the Business”* and *“Business of the Company – Sources, Pricing and Availability of Raw Materials”*.

Chuzhou Runhai Stevia High Tech Company Limited (“Runhai”) – Runhai was established in September 2007 for the purpose of processing stevia leaf grown and harvested in the Mingguang region of China into stevia extract. Its initial facilities will be constructed during 2008 and are scheduled for completion in the fourth quarter of 2008. Runhai is the subsidiary of GLG that will develop the 10,000 metric ton per year stevia processing facility pursuant to the investment agreement with the Mingguang People’s Government announced in August 2007. See *“Development of the Business”* and *“Business of the Company – Sources, Pricing and Availability of Raw Materials”*.

Development of the Business

On August 14, 2000, a receipt was issued by the British Columbia Securities Commission for the Company’s prospectus regarding its initial public offering. The initial public offering consisted of the issue of 1,850,000 Common Shares at \$0.60 per Common Share for aggregate proceeds to the Company of \$1,110,000. The Company’s Common Shares commenced trading on the Canadian Venture Exchange (now known as the TSX Venture Exchange) on October 3, 2000.

At the Company’s request, its Common Shares were delisted from the TSX Venture Exchange and began trading on the Canadian Trading and Quotation System (“CNQ”) on June 28, 2005.

Effective January 1, 2007 GLG, through its subsidiary Runde, entered into a supply agreement (the “Original Agreement”) with Cargill Incorporated (“Cargill”), of Wayzata, MN to provide high quality stevia extract to Cargill’s specifications. The Original Agreement was to automatically renew for further one year periods with the price and minimum purchase commitment to be agreed by the parties within 60 days of each subsequent one year term.

The Original Agreement has since been subject to a number of amendments (such amendments together with the Original Agreement, the “Cargill Agreement”). The Cargill Agreement provides for a fixed term of five years (2008 through 2012), and provides for subsequent one year renewal periods. In each contract year of the Cargill Agreement, Cargill has agreed to purchase 95% of the stevia produced by the Company subject to the parties reaching an agreement on price. Where the parties are unable to reach an agreement on price, Cargill will have a “right of last refusal” which will allow it to match offers that the Company receives from third parties who wish to purchase such stevia extract.

In addition, Cargill and Runde have entered into an export prepayment agreement (the “Export Prepayment Agreement”) pursuant to which Cargill has advanced US\$7,000,000 as a prepayment for the acquisition of stevia leaf to be used for the production of product to be sold to Cargill. Cargill has agreed to purchase 100% of the stevia extract produced with such funds. The US\$7,000,000 prepayment will be repaid upon the sale of stevia extract to Cargill. Interest is payable on a quarterly basis at the rate of Libor + 3.25% per annum.

In connection with the entry into of the Cargill Agreement and the Export Prepayment Agreement, GLG issued to Cargill three share purchase warrants. The first warrant allowed Cargill to purchase 14,365,642 Common Shares of GLG Life Tech before January 31, 2008 at an exercise price of \$3.50 per Common Share. On January 21, 2008, GLG and Cargill announced that the expiry date provisions under the first warrant had been amended. The parties agreed that the first warrant as to 3,591,410 Common Shares (the "First Portion") would expire on January 31, 2008. The First Portion was concurrently assigned by Cargill to two investment funds managed by Black River Asset Management, a subsidiary of Cargill, and was later exercised for gross proceeds to the company of approximately \$12.5 million. The parties agreed that the first warrant as to 3,591,411 Common Shares (the "Second Portion") would expire on February 29, 2008 and this Second Portion went unexercised and has since expired. The parties agreed that the first warrant as to 7,182,821 Common Shares (the "Third Portion") would expire on March 31, 2009. The Third Portion remains outstanding and Cargill has assigned its rights to 3,591,410 Common Shares under the Third Portion to the investment funds managed by Black River Asset Management.

The second warrant allowed Cargill to purchase Common Shares of GLG Life Tech equal to 10% (later reduced to 5%) of GLG Life Tech's total share capital on a fully diluted basis between January 31, 2008 and March 31, 2009. Under this warrant, Cargill will be able to purchase up to 5,223,943 Common Shares of the Company at an exercise price of \$4.44 per Common Share at any time up to March 31, 2009. The final warrant, which allowed Cargill to purchase Common Shares of GLG equal to 5% of GLG Life Tech's total share capital on a fully diluted basis between January 31, 2009 and March 31, 2010, has since been cancelled.

On December 18, 2006 the Company acquired Qingdao Runde Biotechnology Co., Ltd. ("Runde"). Runde was formed specifically for acquisition purposes; Runde was not an ongoing business at the time of its purchase and did not have an operating history. The consideration payable by the Company was 16,666,666 Common Shares and a convertible promissory note in the amount of \$880,000. The promissory note has now been paid in full in cash, without any exercise of the equity conversion right. At the time of the acquisition, Runde held net tangible assets of approximately \$8,800,000. Upon completion of the acquisition, the Company assigned its management team to Runde and operations commenced promptly thereafter.

On June 22, 2007 the Company completed a \$6 million private placement through the issuance of debenture units. The acquisition cost to purchasers was \$1 million per unit, with each unit consisting of a one year convertible debenture in the said amount and a share purchase warrant. The debenture bears interest at the rate of 12% per annum and will be convertible by the holder into Common Shares as to 1/3 at the price of \$2.80 per Common Share, 1/3 at the price of \$3.05 per Common Share, and 1/3 at the price of \$3.30 per Common Share. The share purchase warrant will entitle the holder to purchase, for a period of two years, 200,000 Common Shares as to 1/2 at the price of \$3.05 per Common Share and 1/2 at the price of \$3.30 per Common Share.

On July 1, 2007, the Company entered into a letter agreement with Agricultural High Tech Developments Limited ("AHTD") to purchase all of the issued and outstanding shares of AHTD, a seed base operation possessing high quality proprietary technology and patent-pending stevia seeds. A total of 12,500,000 Common Shares of the Company have been allotted to pay the purchase price for AHTD, of which 3,750,000 Common Shares were issued to AHTD upon the closing of the transaction. The remaining 8,750,000 Common Shares will be issued upon the achievement of the following milestones:

- (a) 4,375,000 Common Shares will be issued upon AHTD providing seedlings for planting 30,000 mu (1 mu is a unit of measure equal to approximately 0.165 acres or 0.06677323 hectares) of stevia which will yield 5,000 metric tons of leaf in 2008; and
- (b) 4,375,000 Common Shares will be issued upon AHTD providing seedlings for planting 60,000 mu of stevia which will yield 8,000 metric tons of leaf in 2009.

The acquisition of AHTD was closed on December 27, 2007 on the terms agreed upon on July 1, 2007.

On December 11, 2007, the Company completed the private placement of 11,500,000 units (the "Units") of the Company at a price of \$3.00 per Unit, for gross proceeds of \$34,500,000. Each Unit consisted of one Common Share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant

entitled the holder to purchase one Common Share of the Company at an exercise price of \$4.50 per Common Share for a period of eighteen months from the closing of the private placement.

On the completion of the private placement, the Company's Common Shares became listed on the Toronto Stock Exchange ("TSX") under the symbol "GLG". Concurrently with the listing on the TSX, the Company delisted from the CNQ.

INDUSTRY INFORMATION

The Natural and Healthy Trend in the United States

The growth of the natural and healthy food industry is being propelled by several macro trends, which include attention to health and the benefits of good diet, medical epidemics such as obesity and a recent emphasis on preventative health care. In the United States, healthy and natural foods continue to grow in popularity, suggesting a change from the mass-produced and highly processed foods that historically comprised a typical American diet. More recently, natural products, such as those based on herbs, beverages sourced from fungi, organic foods and products based on homeopathy have all gained significant popularity in the United States.

Market For Nutritive Sweeteners

Sugar

Sugar is also called plain cane sugar and is a traditional nutritive sweetener. It is in a natural form when it comes out of the cane and contains molasses and different kinds of bugs, which are filtered out before processing into sugar. Since sugar is considered a necessity, governments in most countries subsidize the farming of sugar cane and expensive refinery costs. Without subsidies provided by governments, the sugar market would likely become unsustainable. Countries such as Cuba, China and Puerto Rico have significantly cut back on subsidy amounts, creating an unprecedented opportunity for alternative sweeteners including Stevia, Sucralose, Acesulfame-K, Saccharin and Aspartame.

Market For Non-Nutritive Sweeteners

Nutritive sweeteners provide a sweet taste and a source of energy whereas non-nutritive sweeteners are sweet but provide no energy. Recent studies report that nutritive sweeteners have caused an increase in chronic diseases (e.g. obesity, cardiovascular disease, diabetes, dental cavities and behavioural disorders) and, as a result, many consumers want the taste of sweetness but without the aforementioned consequences. The food industry has responded to this demand by producing a number of energy-reduced or non-nutritive sweeteners.

Some non-nutritive sweeteners available on the market today are discussed below.

Saccharin

Sweet N' Low is an example of a saccharin based sweetener which has received GRAS status (Generally Regarded as Safe) by the United States Food and Drug Administration ("FDA"). Saccharin has been used by the food industry for many decades. Since it leaves a bitter aftertaste, the makers of saccharin began combining saccharin with cyclamate. In the 1980's it was proven that saccharin combined with cyclamate caused cancer in lab rats, and the use of cyclamate in saccharin was banned. For the last 20 years, saccharin has often been subject to questions as to whether it is carcinogenic to human beings. Though saccharin is still widely used, it carries a label that warns consumers of its potential risks.

Aspartame

Aspartame is another well-known non-nutritive sweetener, sold under trade names such as Equal and NutriSweet. Aspartame is widely used in diet beverages. It is made of the same basic elements as saccharin but its main ingredient differs from manufacturer to manufacturer. In 1981, the FDA approved aspartame as a sweetener for a number of uses (e.g. tabletop sweetener, cold breakfast cereal, gelatines and puddings, chewing gum and carbonated beverages). In the 10 years following, demand for aspartame in the United States doubled and its use continues to be widespread. Although soft drinks account for more than 70% of aspartame consumption, this sweetener is also

added to a number of foods, personal care products and pharmaceuticals. Aspartame is available in liquid, granular, encapsulated and powder forms. The encapsulated form has made aspartame more heat resistant which makes it ideal for some bakery products. However, aspartame has come under fire in recent years as it has been linked to brain tumors and other serious health disorders.

Sucralose

First discovered in 1976, sucralose is most recognized under its trade name Splenda. In 1998, the FDA approved the use of sucralose in a number of food and beverages as a food additive and later as a general purpose sweetener. Sucralose is made by chemically altering the sugar molecule, substituting three chlorine atoms for three hydrogen-oxygen groups. Often mixed with dextrose, sucralose is generally stable under heat. The sweetener has proven popular among consumers, taking significant market share from competitors such as Equal. However, concerns have been raised among consumers over its chemical composition, as chlorinated molecules are used as the base of many pesticides.

Stevia

Stevia is a plant indigenous to the rain forests of Paraguay and Brazil and has been used as a sweetener for over 600 years. In recent years, it has been grown commercially in Brazil, Paraguay, Uruguay, Central America, the United States, Israel, Thailand and China. Its leaves contain several chemicals called glycosides, which taste sweet but do not contain calories. The two major glycosides in stevia are Stevioside and Rebaudioside-A. The glycosides in the stevia leaf are 30 times sweeter than sugar whereas refined stevia extracts are 200-300 times sweeter than sugar. .

Natural and non-caloric, stevia extract also has a zero glycemic index, meaning it does not adversely affect blood sugar levels and retard insulin release. These properties make it an alternative sweetener suitable for diabetics.

Key Factors Driving the Non-nutritive Sweetener and Dietary Supplement Markets

At the turn of the century, a significant portion of the world's population suffers from obesity. Approximately 500 million people suffer from obesity and 1 billion are considered overweight. According to the US National Center for Health, obesity rates in the United States alone have risen to over 50% of the population and obesity prevalence among children has quadrupled over the last 30 years. In China, numbers are also rising and more than 70 million are now obese, accounting for 5.4% of China's total population.

Studies found that a number of diseases are closely associated with obesity, including certain types of cancer, diabetes, coronary artery disease, stroke, hypertension, cardiomyopathy, non-alcoholic steatohepatitis, osteoarthritis, reproductive problems, sleep apnea, and gallbladder disease. In the United States there are approximately 15 million adults that are diabetic. Among them, 90 to 95% are U.S. diabetes mellitus type II (DM type II), the type associated with obesity. As a result, the demand for non-nutritive sweeteners and dietary supplements has grown substantially in recent years. Changes in food consumption patterns which lean toward healthier and more balanced eating habits have also contributed to the growth in demand for dietary supplements and natural non-nutritive sweeteners.

Drivers for Future Growth of Stevia Global Market

The following factors will facilitate the growth of the stevia market over the next few years.

1. FDA approval of stevia as a dietary supplement has already facilitated the consumption of stevia in many developing and underdeveloped countries throughout the world. Thousands of health stores have emerged in markets such as the U.S. and southeast Asia as a result of stevia being approved as a dietary supplement in 1994. Pro-stevia lobbyists are aiming for stevia to be approved by the FDA under the category "Generally Regarded As Safe" ("GRAS"). As announced on May 31, 2007 in The Wall Street Journal, Cargill and The Coca Cola Company have chosen to pursue approval for the use of stevia-based products in the U.S. market and will likely be the primary drivers behind stevia achieving GRAS status.
2. Sugar in most countries is a subsidized commodity. In Europe and the U.S. subsidies for producing either sugar cane or sugar beet range from 70% to 80%. This amounts to approximately US\$3 billion annually in the U.S. alone. As sugar subsidies in many countries are being reconsidered, stevia could present a major alternative to sugar if the production and quality of stevia leaves can be ensured.

3. Stevia is experiencing significant growth due to many factors including a sharp global trend towards healthy living, the reduction of sugar consumption by consumers worldwide, an increase in the number of diabetics and persons with juvenile diabetes and the adverse medical effects found in Aspartame and Saccharin. The trend toward replacing synthetic sweeteners with all natural sweeteners such as stevia is expected to accelerate because of its cost advantages, health benefits and safety for diabetics.

Market for Stevia

Stevia consumption has dramatically increased since Japan began importing stevia in 1970. Stevia now accounts for a significant share of the total sweetener market in Japan, and has been used by millions of Japanese for over 30 years. Japan consumes well over 1,000 metric tons of stevia extract every year. Major multinational food companies use stevia extract to sweeten their products for sale in Japan and certain other countries where it has been approved. Several other countries including China, Korea, Brazil and other South American nations are using stevia extensively. Stevia has grown over the past 15 years into a US\$350 million per year business with the majority of revenues generated in Japan, Korea and China. Currently, China accounts for approximately 80% of the worldwide production of stevia leaves and preliminary grade extract.

Within China, there are five to seven companies with stevia refining and extraction capabilities. GLG holds a competitive advantage as it is capable of producing high volume, high grade pure Rebaudioside A (RA) extract. Low quality grade extract is considered a basic feedstock or crude extract with a slightly bitter aftertaste. Higher levels of RA decrease this bitter aftertaste which is caused by the presence of impurities.

While further refining would improve the purity and taste, even low grades (lower presence of RA) or byproduct resulting from refining extremely pure grades, can be potentially used with foods such as soy sauce, rice wines, chili, bean pastes and fermented pickles, which can mask the aftertaste.

Outside of China, there are a small number of additional stevia refiners in countries such as Japan, Korea and Malaysia who are capable of producing pleasant tasting stevia products utilizing higher grades of stevia extract.

Applications of Stevia Products

In countries such as Japan and Korea, refined stevia in industrial bulk grades is used in food and beverages including soft drinks, fruit juices, sports drinks, confectioneries, chocolates, biscuits, instant noodles, soy sauces, chili sauces, rice wines, sugar free candies and pickled vegetables.

In other parts of Asia, the U.S. and Europe, stevia usage for similar industrial applications has been slow to date. In the US, the FDA has approved stevia as a dietary supplement but not as a food additive, which offers a much wider scope for use in food and beverages.. Nevertheless, stevia has already been approved for general use as a food additive by many governments including Japan, Korea, China, Taiwan, and the Philippines.

An additional hurdle that has previously inhibited the rapid growth of the stevia market has been the lack of supply of quality stevia. However, industry players such as GLG are working to make stevia a commercially viable product

BUSINESS OF THE COMPANY

General

GLG's business is focused in two areas:

1. the manufacturing of stevia in highly refined form for sale in bulk and in products formulated by the Company for the consumer mass market;
2. the distribution of stevia and other nutritional and health products produced or sourced by or on behalf of the Company through, as of the date hereof, more than 1,200 YHT International Health Product Chain Stores ("YHT"), and of Weider Global Nutrition LLC ("Weider") products as Weider's exclusive representative in China, through gyms, spas and specialty stores as well as YHT locations.

Stevia Manufacturing

GLG specializes in growing, refining, and producing high grade stevia, a natural, zero-calorie sweetener. Stevia is extracted and processed from the herbal plant stevia rebaudiana. Stevia is a leafy plant and a natural sweetener that has grown for several hundred years, primarily in South America. It was used by early European settlers to sweeten tea and during the past two to three decades has been commercially produced and sold throughout many countries around the world. For nearly 30 years, Japan and Korea have been the primary consumers of stevia with colas, candies, and even toothpaste utilizing the natural substance in product formulas.

In the United States, stevia is currently approved by the FDA as a dietary supplement and it is the Company's expectation that stevia will receive approval as a food additive within the next one to two years. Should this occur, the demand for stevia is expected to increase exponentially in the American market as well as the European markets, who are expected to follow suit once it is approved by the FDA. Recently a study was performed by the Joint Expert Committee on Food Additives ("JECFA") which produced favourable results released in 2006. JECFA was established by the World Health Organization and the Food and Agriculture Organization of the United Nations. Further studies were requested and are expected to be presented and discussed this year. As clinical studies continue and consumers are made aware of stevia as an alternative to sugar and chemical sweeteners, it is believed that worldwide approval and acceptance will follow.

There are many components that may be extracted from stevia but Rebaudioside A ("RA") is the preferred glycoside that is extracted for the purpose of its sweet taste. Stevia is most commonly identified by the RA rating method which measures the level of Rebaudioside A reached once the leaves are refined. A higher RA rating means the extract is more pure and thus tastes sweeter than a lower RA rating. Other components such as Rebaudioside C offer a bitter taste and are generally removed as an impurity. During the past several years, GLG's management has developed proprietary technology to separate and purify RA from stevia. The lower grades of stevia (RA 24 and RA 40) have a noticeable aftertaste. Many current stevia manufacturers in China are only able to produce grades up to RA 60. However, GLG's facilities use proprietary technology and have the capability to produce large amounts of pure, single component products in excess of RA 97.

Effective December 18, 2006, in an arm's length transaction, the Company acquired a new stevia manufacturing facility in China by purchasing all interest in and to Qingdao Runde Biotechnology Co., Ltd. ("Runde"), a Chinese WOFE (wholly foreign-owned enterprise), from HZ Health Management Company Limited. Runde's objective is to provide consistent high quality and high purity stevia products to meet the stringent supply chain demands of multi-national food suppliers.

Runde was formed specifically for acquisition purposes; Runde was not an ongoing business at the time of its purchase by the Company and therefore had no previous operating history. Runde's primary assets are a new, state of the art manufacturing facility and certain proprietary technology for refining stevia. The Company agreed to purchase Runde if the extraction process would allow stevia to be extracted to RA 95% or above, at acceptable production rates. The initial test results showed product that was manufactured was refined to RA 98.51% which is notable because there is usually a 2 to 3% consideration due to moisture.

Runde currently leases the land on which its manufacturing plant is situated, under a five year renewable arm's length lease agreement with Cheng Da Company Limited, but has an agreement to purchase the land once Runde feels that it is financially advantageous to do so. The land is located in Qingdao City, Shandong Province, China. The annual lease payment is RMB 500,000.

In an arm's length transaction on July 1, 2007, the Company entered into a letter agreement with Agricultural High Tech Developments Limited ("AHTD") to purchase all of the issued and outstanding shares of AHTD, a seed base operation possessing high quality proprietary technology and patent-pending seeds. This acquisition closed on December 27, 2007.

The goal of this acquisition is to give the Company a platform on which to have a vertically integrated system capable of controlling all stages of production from the development of high yielding RA seeds to final extraction and formulation of finished product. This acquisition is an important step in the Company's plan to become the world's leading stevia producing company. Some additional benefits expected from this acquisition are as follows:

- (a) research and development of high RA producing stevia plants;

- (b) capability to breed high RA producing stevia plants;
- (c) commercial plants development;
- (d) commercial plot testing;
- (e) propagation of high RA producing plants;
- (f) exclusive growth of high RA producing plants; and
- (g) harvest of high RA producing leaf.

As a result of the completion of this acquisition on December 27, 2007, the Company now has control of a large percentage of the highest quality stevia seedlings in China. In addition, as noted above, the Company has acquired patent-pending processes and knowledge of developing high RA yielding seeds, seedlings and finished plants ready for harvesting. This acquisition was a key step for the Company towards the total vertical integration of its stevia growing and manufacturing processes which is critical to the Company's long term goals.

Distribution of stevia and other nutritional and health products

The Company is also engaged in the distribution of stevia and other nutritional and health products. The Company has signed a five year supply agreement with Cargill, Incorporated ("Cargill"), of Wayzata, MN, to provide high quality stevia extract to Cargill's specifications (the "Cargill Agreement")

In a Wall Street Journal article in May of 2007, Cargill and Coca Cola announced the two companies were teaming up to market a new calorie-free natural sweetener called rebiana. Like traditional stevia, rebiana comes from the leaves of the stevia plant. However, rebiana only consists of the best-tasting components of the stevia leaf. Cargill is working to bring rebiana to consumers around the world as an ingredient in a variety of foods and beverages.

Effective January 1, 2007 GLG, through its subsidiary Runde, entered into a supply agreement (the "Original Agreement") with Cargill Incorporated ("Cargill"), of Wayzata, MN to provide high quality stevia extract to Cargill's specifications. The Original Agreement was to automatically renew for further one year periods with the price and minimum purchase commitment to be agreed by the parties within 60 days of each subsequent one year term.

The Original Agreement has since been subject to a number of amendments (such amendments together with the Original Agreement, the "Cargill Agreement"). The Cargill Agreement provides for a fixed term of five years (2008 through 2012), and provides for subsequent one year renewal periods. In each contract year of the Cargill Agreement, Cargill has agreed to purchase 95% of the stevia produced by the Company subject to the parties reaching an agreement on price. Where the parties are unable to reach an agreement on price, Cargill will have a "right of last refusal" which will allow it to match offers that the Company receives from third parties who wish to purchase such stevia extract.

In addition, Cargill and Runde have entered into an export prepayment agreement (the "Export Prepayment Agreement") pursuant to which Cargill has advanced US\$7,000,000 as a prepayment for the acquisition of stevia leaf to be used for the production of product to be sold to Cargill. Cargill has agreed to purchase 100% of the stevia extract produced with such funds. The US\$7,000,000 prepayment will be repaid upon the sale of stevia extract to Cargill. Interest is payable on a quarterly basis at the rate of Libor + 3.25% per annum. See "Corporate Structure and Development of the Business – Development of the Business".

The Company plans to also develop and sell specialized branded stevia products through retail, wholesale and e-commerce sites in addition to the sale of bulk product to major buyers. Plans are being developed to bring formulated branded consumer products to the markets of the United States and Canada in 2008.

The Company also distributes health and nutritional products which are sourced internationally, including but not limited to protein and vitamin supplements. Products are distributed in China through YHT. YHT had seven franchise locations at the end of March 2005, 428 locations as of the end of December 2005, 979 locations at the end of December 2006 and 1,318 as of the end of December 2007. Pursuant to the agreement with YHT, all health and

nutraceutical products sold by YHT must be purchased from the Company or from suppliers approved by the Company.

The Company is also serving as exclusive distributor for the nutritional products of Weider Global Nutrition of Salt Lake City, Utah, through gyms, spas and specialty stores in China. Weider product is also sold through the YHT stores and plans include expansion into mass markets.

Development of Health Centres

Additionally, the Company is involved in the development of health centres in conjunction with HZ International Health Management (“HZIHM”) and Wellsource, Inc., a leader in preventative health care software. HZIHM and the Company have been granted the exclusive right to use, and to resell and distribute with the consent of Wellsource, Inc., the complete line of Wellsource® preventative health care products in China, Hong Kong, Macau and Taiwan.

Wellsource, Inc. has developed and sold lifestyle management tools that are designed to enable organizations to lower health claims and control insurance costs by identifying health risk factors among employer groups and other populations. Based in Portland, Oregon, the company develops and markets health assessment applications, online wellness centers and health tracking tools, health improvement guides, lifestyle change classroom programs, wellness seminars, newsletters, and other health promotion and disease management tools. In addition to being designed to lower healthcare costs, these tools are designed to enable individuals to identify strengths and weaknesses in their health-related behaviours and empower them with knowledge and skills to successfully achieve their health goals. Wellsource® preventative health care products are currently distributed to more than 2,000 organizations worldwide, including hospitals, health plans, governments, military branches, universities, corporations, benefit consultants and pharmaceuticals.

Business Objectives and Strategies

GLG’s mission is to become the world’s leading producer of high grade stevia by securing stevia leaf supply, establishing leaf refining facilities in key locations, and providing a consistent supply of high quality stevia in bulk and consumer grades while increasing profitability, shareholder value, employee and customer satisfaction.

Its key business objectives are:

1. to jointly develop the rebiana supply chain with Cargill as their leading strategic supplier of stevia extract;
2. to maintain low cost production of high grade stevia extract through process innovation and vertical integration (from seedling development to high grade stevia production);
3. to continue to pursue research and development that will further improve the quality and yield of stevia seedlings;
4. to continue to develop its seedbase to ensure a growing percentage of stevia leaf comes from its high quality stevia seedlings;
5. to develop the capacity needed to meet its customers forecasted demand increase over the next one to three years;
6. to work effectively with governments in China to develop key stevia growing areas to increase the annual harvest of high quality stevia leaf over the next one to three years; and
7. to develop its consumer business into a profitable growth opportunity.

Specialized Skill and Knowledge

The production of high grade stevia by the Company’s subsidiary, Runde, requires specialized skill; the Company currently employs a technically advanced and diversified management team and technical staff. Runde has developed and owns proprietary manufacturing technology to produce high quality stevia with extremely high RA

readings that meet and/or exceed the quality requirements used in its customers' products. Runde has not yet patented this proprietary manufacturing technology though the Company may elect to do so at some point in the future. Currently, the Company relies upon confidentiality agreements that have been entered into between the Company and/or Runde and its personnel who have access to the proprietary information.

There are no specialized skill or knowledge requirements relating to the health and nutritional products distribution business, other than knowing the requirements and methods necessary to conduct this business successfully in China.

Competitive Conditions

In the high quality stevia production sector, the Company currently enjoys a competitive advantage. Approximately 80% of the world's stevia leaf is currently grown in China. Currently, there are no facilities in China, other than that of Runde which consistently produce high-grade stevia extract. There are two companies in Japan and one company in Korea that are capable of producing high-grade stevia extract. However, the manufacturing costs to produce this high quality stevia in Japan are estimated to be three to five times higher than the cost to produce the same product within China. The manufacturing costs to produce high quality stevia in Korea are estimated to be two to three times higher than the cost to produce the same product within China.

This price difference combined with the current tonnage processed at GLG's facilities put GLG in a competitive leading position. Through arrangements it has negotiated, GLG expects to control a large percentage of the high quality stevia seeds in China and also has relationships with the government for the growth and harvest of stevia leaf for GLG's exclusive purchase. Additionally, GLG uses proprietary processes and technology and has a strong multi-national management team.

There are major global players that are expected to enter the market as demand for stevia grows, but the Company believes that it will take competitors several years to reach GLG's current stage of development. As an example, the seedling development process takes several years and is only the first phase of the vertically integrated process for developing a high quality finished product. Therefore, anyone who is not currently involved in the development of high quality seeds and seedlings, similar to the technologically developed seeds that GLG uses, or does not have the ability to grow and harvest the stevia leaves economically, will encounter significant barriers to entry within the marketplace.

In the health products sector the Company's major competitors are international companies which produce health products as well as nutritional and dietary supplements. 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. The YHT network is large and the exclusive arrangements the Company has with YHT gives it strong access to the growing network. The Company also holds the right to use the name and image of Professor Hong Zhao Guang, a widely recognized physician and health authority in China who acts as a spokesperson for the YHT network. Additionally, the Company is currently the exclusive distributor for gyms, spas, and specialty stores in China for Weider Global Nutrition, a US based company.

New Products

The Company is currently working on new products for its new consumer products division. These products will utilize stevia based formulations and will include such products as tabletop sweeteners and dietary supplements. These products will be developed for several markets including but not limited to Japan, Korea, China, the United States and Canada in 2008.

Sources, Pricing and Availability of Raw Materials

In recent years, the purchase of stevia leaf has been a major process involving many buyers in the fields negotiating with hundreds of farmers. The current method to acquire the required thousands of metric tons of leaf is costly, involving a bidding process which results in higher prices and, in many cases, a poorer and lower RA yielding leaf. GLG's strategy to improve the quality of the leaf purchased and to ensure a fair price to all parties is based on the development of its own high quality seed base that will only be offered to farmers in its exclusive growing areas. The ability to exercise control over all aspects of the raw material from the development of the high RA yielding

seed, plants, planting, harvesting to the final extraction process is expected to result in a consistent reserve of high quality stevia leaf at a fair price.

The Company subsidiaries have special sourcing agreements in place in China with several municipal governments that will allow the Company to purchase stevia leaf that is being grown exclusively for GLG. The Company has also acquired AHTD's Bengbu seed base operation which should simplify the process of acquiring stevia leaf for GLG in 2008 by giving the Company the competitive advantage of controlling a large percentage of the high quality stevia seeds and seedlings in China. Through its seed base operation, the Company will control and continue the development of breeding programs designed to produce improved strains of stevia that will result in higher leaf yield of RA content. These seeds will become the seedlings that GLG will use in its exclusive growing areas of Mingguang and Dongtai.

American GLG Group, a private company of which the Company's director Dr. Luke Zhang is the principal shareholder, signed a preliminary agreement with the Mingguang People's Government to break ground for a new 10,000 metric ton per year stevia leaf processing facility in the Anhui Province city of Mingguang, China, with production scheduled to begin in the fourth quarter of 2008. American GLG Group, which has a strong presence in China, was used to expedite the signing of the preliminary agreement on behalf of GLG Life Tech Corporation and American GLG Group has since assigned all rights under the agreement to the Company without charge.

The agricultural region around Mingguang is one of the largest stevia growing areas in China and provides farmers a ready outlet for products which currently must be shipped to processing facilities more than 500 kilometres away. GLG has obtained strong support from the Mingguang government for expansion of stevia growing areas as well as for the new production facility as both of these initiatives represent a significant boost to the local economy. Further, this production facility will be located nearby GLG's Bengbu seed base that will provide high quality seedlings to GLG's exclusive growers.

The investment agreement signed with the Mingguang People's Government provides exclusive rights to the stevia grown within the Mingguang agricultural region, as well as the exclusive rights to build stevia processing facilities for the next ten years, subject to GLG meeting certain obligations related to establishing its stevia business in Mingguang. To date GLG has:

- (a) established a 100% wholly owned foreign entity, Chuzhou Runhai Stevia High Tech Company, Ltd. ("Runhai");
- (b) received a business license for Runhai for 50 years allowing it to set-up stevia processing facilities and to grow stevia in the Mingguang region of China;
- (c) received all significant licenses and certificates to establish its business (foreign exchange account authorization, tax certificate, organization certificate and a certificate of Approval for Establishment of Enterprises with Foreign Investment in the People's Republic of China); and
- (d) prepaid for the lease of land granted to Runhai of 88.13 mu in the amount of RMB 1,680,000 for the use of land for 50 years. The land use license will be provided to Runhai once a portion of the capital build is completed in 2008 as per Government practice in China.

American GLG Group has also signed a preliminary agreement with the Dongtai People's Government to break ground on a new 10,000 metric ton per year stevia leaf processing facility in the Jiangsu Province city of Dongtai, China, with production scheduled to begin in the fourth quarter of 2008. American GLG Group, which has a strong presence in China, was again used to expedite the signing of the preliminary agreement on behalf of GLG Life Tech Corporation. American GLG Group has since assigned all rights under the agreement to the Company without charge.

The agricultural region around Dongtai is the largest stevia growing area in China and provides farmers a ready outlet for products which currently must be shipped to processing facilities more than 500 kilometres away. GLG has obtained strong support from the Dongtai government for expansion of stevia growing areas as well as for the new production facility as both of these initiatives represent a significant boost to the local economy.

The investment agreement signed with the Dongtai People's Government provides exclusive rights to the stevia grown within the Dongtai agricultural region as well as the exclusive rights to build stevia processing facilities for the next ten years, subject to GLG meeting certain obligations related to establishing its stevia business in Dongtai. To date GLG has:

- (a) established a 100% wholly owned foreign entity, Dongtai Runyang Stevia High Tech Company, Ltd. ("Runyang");
- (b) received a business license for Runyang for 50 years allowing it to set up stevia processing facilities and to grow stevia in the Dongtai region of China;
- (c) received all significant licenses and certificates to establish its business (foreign exchange account authorization, tax certificate, organization certificate and a certificate of Approval for Establishment of Enterprises with Foreign Investment in the People's Republic of China.); and
- (d) prepaid for the lease of land granted to Runyang of 270 mu in the amount of RMB 2,700,000 for the use of land for 50 years. The land use license will be provided to Runyang once a portion of the capital build is completed in 2008 as per Government practice in China.

GLG has also obtained strong support from the Dongtai People's Government and the Mingguang People's Government for the expansion of stevia growing areas, with leaf to be supplied exclusively to GLG's production facilities. The Dongtai and Mingguang production facilities will both be supplied with leaves grown exclusively for GLG from seedlings at GLG's Bengbu Seed Base. The terms of the Dongtai and Mingguang agreements will give GLG exclusive rights to the construction of stevia manufacturing facilities in these two cities for the next 10 years, in addition to the exclusive leaf purchase arrangements mentioned above.

These agreements will play an important role in local government plans to help local farmers improve their quality of life while at the same time providing quality leaf to GLG. The plans call to increase stevia growing areas with pre-agreed prices to be guaranteed to farmers who will grow stevia in place of lower value crops. This is a win/win arrangement since farmers can make approximately two to three times the amount of profit growing stevia rather than crops such as wheat. Additionally, the Company plans to develop a third stevia growing area in the Shandong province in 2008.

In 2007, the price for stevia leaf was much higher, even for poor quality product. For future harvests, the Company expects that the quality of the leaf will be better and that the price will be fixed and not subject to the auction market influences that were experienced in 2007.

Intangible Properties

The Company has the exclusive right to the name GLG and to Professor Hong Zhao Guang's name and image in connection with the Company's health and nutritional products distribution business. GLG is a brand tracing its roots in China back to 1886 and carries a large level of recognition. Professor Hong Zhao Guang's name and image also carry a high level of recognition in China. The Weider name has been well known in body building since the 1940s, and the Weider group has established distributorships in over 106 countries. GLG's subsidiary Runde owns certain proprietary technology used in its manufacturing processes. Further, through the Company's acquisition of AHTD, it now owns the rights to proprietary technology and processes, collectively called New Single Stevia Seedling Improved Breeding Technology and the Systemic Breeding Methodology of New Stevia Seedlings.

Seasonal or Cyclical Business

The stevia manufacturing business is seasonal only to the extent that the leaf for the next year needs to be purchased, or funds for the purchase of stevia leaf confirmed available, in June of a given year with harvest taking place during late July and August. The processing operations can therefore slow down significantly before a new harvest is completed during the months of July and August each year. This situation is currently extremely competitive but the Company is executing plans to conduct its own stevia seed, growth and harvesting operations to allow the Company's growing demands for raw product to be met. See "*Sources, Pricing and Availability of Raw Materials*".

There are no seasonality influences on the Company's retail business with YHT and Weider, excluding sales increases during the holiday season.

Economic Dependence

In June 2007, the Company entered into a five year renewable supply agreement with Cargill, Incorporated ("Cargill") for the supply of stevia product. It is expected that a significant portion of the Company's future revenues over the next five years will be derived from the Cargill supply agreement. See "*Corporate Structure and Development of the Business – Development of the Business*".

If Cargill were to terminate the relationship with the Company, there could be a material negative impact on the Company's operations, financial results, and current business and/or future prospects. See "*Risk Factors – Customer Concentration Risk*".

Financial and Operational Effects of Environmental Protection

Runde carefully adheres to environmental requirements and the cost of such adherence is factored into the manufacturing costs. The Company does not foresee any increases in compliance that cannot be offset with an increase in the sale price which will allow existing margins to continue.

There are no environmental protection requirements affecting the other segments of the Company's business.

Employees

As at December 31, 2007, the Company employed approximately 215 people, 20 of whom are considered key managers.

As at March 28, 2008, the Company did not have any employees in its distribution business. The distribution business is a procurement activity and independent contractors are used.

Foreign Operations

The Company conducts business internationally and in particular in China where the Company's production of stevia is centred. International operations are subject to a number of special risks, including currency exchange rate fluctuations, trade barriers, exchange controls, national and regional labour strikes, political risks and risks of increases in duties, taxes and governmental royalties, as well as changes in laws and policies governing operations of foreign based companies, including subsidiaries of the Company. See "*Risk Factors – Risks Relating to the Company's Operations in China*".

Risk Factors

This section describes the material risks affecting the Company's business, financial condition, operating results and prospects. There may be other risks and uncertainties that are not known to the Company or that the Company currently believes are not material, but which also may have a material adverse effect on the Company's business, financial condition, operating results or prospects. In addition to the other information set forth elsewhere in this Annual Information Form, prospective investors should carefully review the following risk factors:

Risks Relating to GLG Life Tech Corporation and its Business

Customer Concentration Risk

In 2007, the Company entered into a five year renewable supply agreement with Cargill to supply Cargill with stevia product. It is expected that a significant portion of the Company's future revenues over the next five years will be derived from the Cargill supply agreement. If Cargill were to terminate their relationship with the Company, there may be a material negative impact on the Company's business operations and financial condition.

Key Employees

The loss of any of the Company's or its subsidiaries' current executives, employees, or advisors, and in particular, Dr. Zhang, or the failure to attract, integrate, motivate, and retain additional key employees could have a material adverse effect on the Company's business. To the knowledge of the Company, none of its key employees has plans to retire or resign in the near future. The Company does not have "key person" insurance on the lives of any of its management team. In the future, if the Company grows and operations are expanded, it may not be able to attract the additional personnel it requires.

Market Acceptance

The Company has established limited brand recognition in Canada, the United States and other international jurisdictions. The Company cannot be sure that it will successfully complete the development and introduction of new products or product enhancements or that any new products developed will achieve acceptance in the marketplace. It may also fail to develop and deploy new products and product enhancements on a timely basis. There can be no assurance that the Company will be able to expand its distribution in the future or that any such expansion will be successful. Furthermore, there can be no assurance that any expansion will not have a material adverse effect on the operating results of the Company, particularly while it is implementing such expansion and the costs associated with any expansion.

Manufacturing Risk

The Company currently must position itself to acquire stevia leaf so that the capabilities of its production facilities can be maximized. Stevia leaf shortage could result in loss of sales if the Company is not able to secure funding to grow the stevia business in light of projected industrial demands.

The Company currently manufactures stevia for distribution through its wholly-owned subsidiaries. The Company's subsidiary, Qingdao Runde Biotechnology Limited ("Runde"), manufactures stevia products at its Shandong province facility. Runde leases the facility and the property was seized by the Shandong Heze Intermediate People's Court on July 4, 2007 in connection with litigation relating to the property owner. The litigation has had no impact on the Company's operations to date and the Company expects it will not be impacted in the future by this matter.

If the Company and its subsidiaries are ever unable to produce the required commercial quantities of bulk substance or finished product on a timely basis and at commercially reasonable prices, and are unable to find one or more replacement manufacturers with the necessary expertise, regulatory approvals and facilities capable of production at a substantially equivalent cost, in substantially equivalent volumes and quality, and on a timely basis, they will likely be unable to meet customer demand and this may have a material adverse effect on the Company's business operations and financial condition.

Financing Risks

The Company has sufficient financial resources to conduct its current operations but does not presently have sufficient financial resources to implement its business plan beyond the current year. Additional financing will be required by the Company in order to meet its planned goals and expectations and to further expand its operations, defray unexpected costs of business and provide additional operating capital. The Company's development will therefore depend upon its ability to obtain financing through private placement financing, public financing or other means. There can be no assurance that the Company will be able to obtain adequate financing in the future in the amounts, at the costs, and at the times necessary to meet its planned forecasts.

Consumer Perception of Products

Even if products distributed by the Company conform to international safety and quality standards, sales could be adversely affected if consumers in the Company's target markets lose confidence in the safety, efficacy, and quality of nutritional supplement products. Adverse publicity about nutritional supplements or any food products that the Company sells may discourage consumers from buying products distributed by the Company. The Company may not be able to overcome negative publicity within a reasonable period of time. The Company intends to continue to consult its scientific advisors in order to select high quality products for distribution, which should minimize the potential for such negative publicity to some extent.

Volatility of Share Prices

The Common Share trading price is subject to change because of numerous factors beyond the control of the Company, including reports of new information, changes in financial situation, the sale of Common Shares in the market, the Company's failure to achieve financial results in line with the expectations of analysts, or announcements by the Company or any of its competitors concerning results. There is no guarantee that the market price of the Common Shares will be protected from any such fluctuations in the future.

Reliance Upon Proprietary Technology

The Company's ability to compete effectively is dependent upon the proprietary nature of the designs, processes, technologies and materials owned by, used by or licensed to the Company or its subsidiaries. The Company's intellectual property related to stevia includes proprietary process technology for the manufacture of high grade stevia which is not covered by patents or other intellectual property protection. All key personnel who are privy to proprietary information have entered into confidentiality agreements with the Company or Runde, the Company's wholly-owned subsidiary; however, there is no certainty that these arrangements will be sufficient to safeguard the technology.

The Company does have the rights to two patent pending stevia seedlings. The two pending patents have been filed with the China National Patent Bureau. The Company expects the process of the China National Patent Bureau will take up to 18 months before patents are granted.

Trademark Protection

Currently, the Company is in the process of applying for trademark protection for its own branded stevia products and has filed six trademark applications in the North American market; four for use in Canada and two for use in the United States. The company intends to also file subsequent applications during 2008 so that full protection is gained in both the Canadian and American markets for all product offerings. No trademarks have been issued thus far.

The Company's marketing strategy associated with its non-core business is based, to a large extent, on licensed images of Dr. Luke Zhang and Professor Hong Zhao Guang as well as the Company's brand name "GLG". Because of the differences in foreign laws concerning proprietary rights, the Company's or its subsidiaries' products may not receive the same degree of protection in China and foreign countries as they would in Canada or the United States. The Company or its subsidiaries may not always be able to successfully protect or enforce their proprietary properties against competitors, which may materially adversely affect the business of the Company and its subsidiaries.

In addition, although the Company does not believe that its products infringe the rights of others and while to date it has not been subject to such claims, in the future it may be subject to intellectual property litigation and infringement claims, which could cause the Company or its subsidiaries to incur significant expenses or prevent it from selling its products. A successful claim of trademark, patent or other intellectual property infringement against the Company or its subsidiaries could adversely affect its growth and profitability, in some cases materially.

Others may claim that the Company's or its subsidiaries' products are infringing their intellectual property rights. If the Company or its subsidiaries are found to have infringed upon the intellectual property rights of another party, licenses for such intellectual property may not be available on favourable terms or at all. If someone claims that the technology or products of the Company or its subsidiaries infringe their intellectual property rights, any resulting litigation could be costly and time consuming and would divert the attention of management and key personnel from other business issues. The complexity of the technology involved and the uncertainty of intellectual property litigation increase these risks. The Company or its subsidiaries also may be subject to significant damages or injunctions preventing it from selling or using some aspect of its products in the event of a successful claim of patent or other intellectual property infringement. Any of these adverse consequences could have a material adverse effect on the Company's business and profitability.

Company Not Party to Certain Material Agreements

On August 16, 2007, American GLG Group, a private company of which the Company's director Dr. Luke Zhang is the principal shareholder, signed preliminary investment agreements with two government authorities, the Mingguang People's Government and the Dongtai People's Government of China. American GLG Group was used to expedite the signing of the preliminary investment agreements with the two government authorities and American GLG Group has since assigned these agreements to the Company. Based on the conduct of these governments since entering into these agreements, the Company believes that there is no reason that the government will not recognize the assignment of these contracts from American GLG Group to the Company. However, the Company cannot guarantee that this will be the case. If the Company is not able to acquire these rights from American GLG Group it would have a material adverse effect on the Company's business and financial condition. See "*Business of the Company – Sources, Pricing and Availability of Raw Materials*".

Changing Consumer Preferences

Consumer preferences evolve over time and the success of the Company's products depends on its ability to identify the tastes and nutritional needs of its customers and to offer products that appeal to their preferences. The Company introduces new products and improved products from time to time and may incur significant development and marketing costs. If the Company's products fail to meet consumer preference, then the Company's strategy to grow sales and profits with new products will be less successful.

Product Liability – Certain Uninsured Risks

As a manufacturer and distributor of products designed for human consumption, the Company is subject to product liability claims if the use of its products is alleged to have resulted in injury. The Company may be subject to various product liability claims, including, among others, allegations that its products include inadequate instructions for use or inadequate warnings concerning possible side effects and interactions with other substances. In addition, although the Company and the Company's manufacturers maintain quality controls and procedures with respect to products that the Company sells, these products could contain contaminated substances. The Company currently has not obtained indemnities from its raw material and product suppliers. The Company does carry liability insurance to cover product recalls and worldwide product liabilities. Such insurance, however, may not be available in the future at a reasonable cost, on favourable terms, or at all, and may not be adequate to cover liabilities.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of GLG will be subject with respect to the operations of GLG. Certain of the directors and officers of GLG also serve as directors and officers of other companies. Situations may arise where the directors and officers will be engaged in direct competition with GLG. Any conflicts of interest will be subject to and governed by the law applicable to directors and officers conflicts of interest, including the procedures prescribed by the *Business Corporations Act* (British Columbia).

If a conflict of interest arises at a meeting of the board of directors of GLG, any director in a conflict will disclose his interest and abstain from voting on such matter.

Industry Related Risks

Competition

The Company's major competitors for its core stevia business are existing stevia producers in Japan, Korea, China and Malaysia. These competitors may have significantly greater financial, technical and marketing resources, and may have a more established customer base. There is no assurance that the Company will be able to compete successfully against its competitors or that such competition will not have a material adverse effect on the Company's business or financial condition.

The Company's major competitors for its non-core businesses 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. Many of the Company's competitors have a more established customer base and greater brand recognition. There is no assurance that the Company will be able to compete successfully against its competitors or that such competition will not have a material adverse effect on the Company's business or financial condition.

Regulations

Health care products, dietary supplements and nutritional supplements are subject to various government regulations. The processing, formulation, manufacturing, packaging, labeling, advertising and distribution of the Company's products are subject to regulation by one or more federal agencies, and various agencies of the states and localities in which the Company's products are sold. These government regulatory agencies may attempt to regulate any of the Company's products that fall within their jurisdiction. Such regulatory agencies may not accept the evidence of safety for any new ingredients that the Company may want to market, may determine that a particular product or product ingredient presents an unacceptable health risk, may determine that a particular statement of nutritional support that the Company wants to use is an unacceptable drug claim or an unauthorized version of a food "health claim," may determine that a particular product is an unapproved new drug, or may determine that particular claims are not adequately supported by available scientific evidence. Such a determination would prevent the Company from marketing particular products or using certain statements of nutritional support on the Company's products.

The Company also may be unable to disseminate third-party literature in connection with the Company's products if the third-party literature fails to satisfy certain requirements. In addition, a government regulatory agency could require the Company to remove a particular product from the market. Any future recall or removal would result in additional costs to the Company, including lost revenues from any products that the Company is required to remove from the market, any of which could be material. Any such product recalls or removals could lead to liability, substantial costs and reduced growth prospects.

Although the regulation of dietary supplements is less restrictive than the regulation of drugs, dietary supplements may not continue to be subject to less restrictive regulation. If any of the Company's products contain plants, herbs or other substances not recognized as safe by a government regulatory agency, the Company may not be able to market or sell such products in that jurisdiction. Any such prohibition could materially adversely affect the Company's results of operations and financial condition. Further, if more stringent statutes are enacted for dietary supplements, or if more stringent regulations are promulgated, the Company may not be able to comply with such statutes or regulations without incurring substantial expense, or at all.

Government regulatory agencies may also adopt more stringent rules regarding the manufacturing of dietary supplements, which may apply to the products that the Company or its subsidiaries manufacture. In the future, such regulations may require dietary supplements to be prepared, packaged and held in compliance with strict rules, and may require quality control provisions similar to those in the Good Manufacturing Practice regulations for drugs. The Company may not be able to comply with such new rules without incurring additional expenses.

The Company is not able to predict the nature of future laws, regulations, repeals or interpretations or to predict the effect additional governmental regulation, when and if it occurs, would have on its business in the future. Such

developments could, however, require reformulation of certain products to meet new standards, recalls or discontinuance of certain products not able to be reformulated, additional record-keeping requirements, increased documentation of the properties of certain products, additional or different labeling, additional scientific substantiation, or other new requirements. Any such developments could have a material adverse effect on the Company's business, financial condition and results of operations.

Safety, Efficacy and Quality of Products

Even if products to be distributed by the Company conform to international safety and quality standards, sales could be adversely affected if consumers in target markets lose confidence in the safety, efficacy, and quality of nutritional supplement products. Adverse publicity about nutritional supplements or any food products that the Company sells may discourage consumers from buying products distributed by it.

There is no sure way to override negative publicity in short periods of time. However, the Company intends to access the expertise of its scientific advisors in order to select a high quality line of products that should lessen any problem of such negative publicity.

Natural Disasters

The Company's raw material supply, by nature, is subject to a high degree of exposure to the risks of natural disasters and adverse weather conditions such as droughts, floods, earthquakes, hailstorms, windstorms, pests, and diseases.

This is a risk shared by all companies in the industry. However, in the health products sector as a distributor rather than a producer, the Company's direct impact of natural disasters should be reduced and, the extent possible, increased costs will be passed on to the Company's purchasers.

Risks Relating to the Company's Operations in China

General

The Company carries on business internationally, and in particular, in China. Foreign operations are subject to a number of special risks, including currency exchange rate fluctuations, trade barriers, exchange controls, national and regional labour strikes, political risks and risks of increases in duties, taxes and governmental royalties, as well as changes in laws and policies governing operations of foreign based companies, including subsidiaries of the Company. In addition, earnings of subsidiaries and intercompany payments are subject to foreign income tax rules that reduce the cash flow of the Company.

Government Involvement

The economy of the People's Republic of China differs from the economies of most developed countries in many respects, including the extent of government involvement. The economy of the People's Republic of China has been transitioning from a planned economy to a more market-oriented economy. Although in recent years the Chinese government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises, a substantial portion of productive assets in the People's Republic of China are still owned by the Chinese government. In addition, the Chinese government continues to play a significant role in regulating industrial development. It also exercises significant control over China's economic growth through the allocation of resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Economic control measures may be adjusted or modified without warning and may be applied differently from industry to industry. Economic controls and reforms are often adopted on an experimental basis and are subject to reversal or revocation with little or no warning. Because these economic reform measures may be inconsistent or ineffectual, there are no assurances that:

- the Company will be able to capitalize on economic reforms;
- the Chinese government will continue its pursuit of economic reform policies;

- the economic policies, even if pursued, will be successful;
- economic policies will not be significantly altered from time to time; and
- business operations in the People's Republic of China will not become subject to the risk of nationalization.

Any negative impact from economic reform policies or nationalization could result in a total investment loss in the Common Shares.

To date, reforms to the People's Republic of China's economic system have not adversely impacted the Company's operations and are not expected to adversely impact operations in the foreseeable future. There can be no assurance, however, that the reforms to the People's Republic of China's economic system will continue or that the Company will not be adversely affected by changes in the People's Republic of China's political, economic, and social conditions and by changes in policies of the Chinese government, such as changes in laws and regulations, measures which may be introduced to control inflation, changes in the rate or method of taxation, imposition of additional restrictions on currency conversion and remittance abroad, and reduction in tariff protection and other import restrictions.

Changes in the Laws and Regulations in the People's Republic of China

The Chinese legal system is based on written statutes. Prior court decisions may be cited for reference but are not binding on subsequent cases and have limited precedential value. Since 1979, the Chinese legislative bodies have promulgated laws and regulations dealing with such economic matters as foreign investment, corporate organization and governance, commerce, taxation and trade. However, because these laws and regulations are relatively new, and because of the limited volume of published decisions and their non-binding nature, the interpretation and enforcement of these laws and regulations involve uncertainties. Additionally, Chinese laws are generally drafted in such a way as to allow interpretation to accord with changing policy demands and are implemented differently from region to region. The Chinese legal system has inherent uncertainties that can seriously limit the legal protections to shareholders in Chinese companies.

The Company's subsidiaries are subject to corporate laws in the People's Republic of China. Additionally, as a food manufacturing company, the Company and its subsidiaries are subject to the laws and regulations governing food and health products in the People's Republic of China. Changes in existing laws or new interpretations of such laws may have a significant impact on the Company's methods and costs of doing business. For example, new legislative proposals for product pricing, approval criteria and manufacturing requirements may be proposed and adopted. Such new legislation or regulatory requirements may have a material adverse effect on the Company's business or financial condition. In addition, the Company will be subject to varying degrees of regulation and licensing by governmental agencies in the People's Republic of China. There can be no assurance that the future regulatory, judicial and legislative changes will not have a material adverse effect on the Company's subsidiaries, that regulators or third parties will not raise material issues with regard to its subsidiaries or its compliance or non-compliance with applicable laws or regulations or that any changes in applicable laws or regulations will not have a material adverse effect on the Company's business and financial condition.

The Chinese Legal and Accounting System

The legal system in the People's Republic of China differs from Canadian law. The Foreign Invested Enterprise laws provide certain protections from government interference. In addition, these laws guarantee the full enjoyment of the benefits of corporate articles and contracts to Foreign Invested Enterprise participants. These laws, however, do impose standards concerning corporate formation and governance. Similarly, the accounting laws of the People's Republic of China mandate accounting practices that are not entirely consistent with Canadian Generally Accepted Accounting Principles. The Chinese accounting laws require that an annual "statutory audit" be performed in accordance with the People's Republic of China accounting standards and that the books of account of Foreign Invested Enterprises be maintained in accordance with Chinese accounting laws. Article 14 of the People's Republic of China Wholly Foreign-Owned Enterprise Law requires a Wholly Foreign-Owned Enterprise to submit certain periodic fiscal reports and statements to designated financial and tax authorities, at the risk of business license revocation. There is no guarantee that the Company and its subsidiaries will be able to continue to comply

with the legal and accounting systems in China without incurring additional expense, if at all, which would have a material adverse effect on the Company's business operations and financial condition.

The enforcement of substantive rights in China differs from Canadian procedures. Foreign Invested Enterprises and Wholly Foreign-Owned Enterprises are Chinese registered companies which enjoy the same status as other Chinese registered companies in business-to-business dispute resolution. Although, as a practical matter, the Chinese legal infrastructure should not present any significant impediment to the operation of Foreign Invested Enterprises, there is no guarantee that the Company or its subsidiaries will be able to enforce their rights in the same manner and to the same extent as in Canada.

Currency Controls

The Company's subsidiaries may incur significant expenses in Chinese Yuan Renminbi ("RMB"), which currently is not a freely convertible currency. Since 1994, the conversion of RMB into foreign currencies has been based on rates set by the Chinese government and has generally been stable. Any devaluation of the RMB, however, may materially and adversely affect the value of, and any dividends payable on, shares of Chinese companies. Chinese companies are generally allowed to pay dividends to their shareholders in foreign currency with a minimum of oversight, subject to foreign currency purchase rules. However, there is no guarantee that future government controls over foreign currency would not result in the inability of the Company's subsidiaries to pay dividends to the Company.

Additional Compliance Costs in the People's Republic of China

The Company's facilities and products are subject to laws and regulations in the People's Republic of China relating to the processing, packaging, storage, distribution, advertising, labeling, quality, and safety of food products. The failure by the Company and its subsidiaries to comply with applicable laws and regulations could subject it to administrative penalties, injunctive relief and civil remedies, including fines, injunctions and recalls of its products. It is possible that changes to such laws, more rigorous enforcement of such laws or the Company's current or past practices could have a material adverse effect on the Company's business, operating results and financial condition. Further, additional environmental, health or safety issues relating to matters that are not currently known to management may result in unanticipated liabilities and expenditures.

Difficulties Establishing Adequate Management, Legal and Financial Controls in the People's Republic of China

The People's Republic of China has historically not had the same standard of Canadian management and financial reporting concepts and practices, as well as modern banking, computer and other control systems. The Company's subsidiaries may have difficulty in hiring and retaining a sufficient number of qualified employees to work in the People's Republic of China. As a result of these factors, it may experience difficulty in establishing management, legal and financial controls, collecting financial data, preparing financial statements, books of account and corporate records and instituting business practices that meet Canadian standards.

Capital Outflow Policies in the People's Republic of China

The People's Republic of China has adopted currency and capital transfer regulations. These regulations may require that the Company comply with complex regulations for the movement of capital. In order to comply with these regulations the Company may have to revise or change its banking structure or that of its subsidiaries. Although the Company believes that it is currently in compliance with these regulations, should these regulations or the interpretation of them by courts or regulatory agencies change it may not be able to remit all income earned and proceeds received in connection with its operations to Canada.

Jurisdictional and Enforcement Issues

Because many of the directors and executive officers of the Company's subsidiaries are Chinese citizens and reside in China, it may be difficult, if not impossible, to acquire jurisdiction over these persons in the event a lawsuit is initiated against the Company, its subsidiaries, or its officers and directors by a shareholder or group of shareholders in Canada. Furthermore, because the majority of its assets are located in the People's Republic of China it would also be very difficult to access those assets to satisfy an award entered against the Company in a Canadian court.

Political System in the People's Republic of China

Foreign companies conducting operations in the People's Republic of China face significant political, economic and legal risks. The political system in the People's Republic of China, including a strong bureaucracy, may hinder Canadian investment. Another obstacle to foreign investment is corruption. There is no assurance that the Company will be able to obtain recourse, if desired, through the People's Republic of China's less developed judicial systems.

Growth Fluctuations

Rapid economic growth in some countries such as China has led to periodic cycles of high inflation causing the governments of such countries to implement austerity measures to control inflation. Such austerity programs may affect the rate of economic growth.

Lack of Liquidity

Investments in China and some other countries in which the Company's subsidiary intend to operate must be viewed as long term investments and often require time to develop into a profitable venture. The currency of such countries is not always readily convertible or freely traded in the international money markets. Certain restrictions on the repatriation of capital and profits may apply.

DIVIDEND POLICY

No dividends have been declared or paid on the Common Shares since incorporation, and it is not anticipated that any dividends will be declared or paid on the Common Shares in the immediate or foreseeable future. Any decision to pay dividends on the Common Shares will be made by the Board of Directors of GLG Life Tech on the basis of earnings, financial requirements and other conditions existing at such future time.

DESCRIPTION OF SHARE CAPITAL

The Company is authorized to issue an unlimited number of Common Shares, of which 69,175,470 Common Shares were issued and outstanding as at March 28, 2008.

The holders of Common Shares are entitled to dividends as and when declared by the board of directors of the Company, to one vote per Common Share at meetings of shareholders and, upon liquidation, to receive such assets of the Company as are distributable to holders of Common Shares. The Common Shares are not subject to any future call or assessment and there are no pre-emptive, conversion or redemption rights attached to such Common Shares.

The Company has also issued warrants, the particulars of which are disclosed under the heading "*Corporate Structure – Development of the Business*". See also the Company's Financial Statements and Management's Discussion and Analysis.

MARKET FOR SECURITIES

As of the date hereof, GLG Life Tech's Common Shares are listed and posted for trading on the TSX under the symbol "GLG-T". The following sets out the price range and volumes traded or quoted on the TSX on a monthly basis for each month since the Common Shares became listed on the TSX on December 11, 2007:

Month	High	Low	Close	Volume
February 2008	\$4.50	\$3.05	\$3.38	173,006
January 2008	\$5.05	\$3.95	\$4.95	185,310
December 11 – 31, 2007	\$5.50	\$3.23	\$4.50	143,327

ESCROWED SECURITIES

The Company had a total of 22,044,223 Common Shares which were subject to escrow and which are being released over a period of 36 months with 15% released from escrow every six months after June 21, 2005. As at December 31, 2007, 18,727,588 Common Shares had been released from escrow and the total number of Common Shares subject to escrow was 3,306,635 or 5.04% of the issued and outstanding Common Shares of GLG.

DIRECTORS AND OFFICERS

The directors are elected by the shareholders at each annual general meeting and typically hold office until the next annual general meeting at which time they may be re-elected or replaced. Casual vacancies on the board are filled by the remaining directors and the persons filling those vacancies hold office until the next annual general meeting at which time they may be re-elected or replaced. The officers are appointed by the board and hold office at the pleasure of the board.

Collectively, as at March 28, 2008, the directors and executive officers of GLG Life Tech, as a group, own 8,465,993 Common Shares, representing approximately 12.9% (8.1% on a fully diluted basis) of the issued and outstanding Common Shares.

The following table sets forth the names and municipalities of residence of all the directors and executive officers of the Company, as well as the positions and offices held by such persons and their principal occupations.

Name and Municipality of Residence	Position with GLG Life Tech	Principal Occupations for the past 5 years⁽³⁾	Director Since
David Beasley ^{(1) (2)} Society Hill, South Carolina	Director	Consultant for Public Square Strategies Inc.	June 21, 2005
David Bishop Atlanta, Georgia	Chief Operating Officer	Chief Operating Officer of GLG Life Tech Corporation (February 2007 to present) Chairman of Qingdao Runde Biotechnology Co., Ltd. (August 2006 to present) Managing Director for Specialists for International Training & Education, (1999 to present)	N/A
Sophia Leung ⁽¹⁾ Vancouver, British Columbia	Director	Honorary President, Shenzhen Chamber of International Investment and Financing for the term 2006 to 2008 Special Advisor to Hon. Paul Martin (2004-2006) Member of Parliament, House of Commons (2002-2004)	February 2, 2007
Brian Meadows Tsawwassen, British Columbia	Chief Financial Officer	Chief Financial Officer of GLG Life Tech Corporation (October 2007 to present) Director (Management), Telus Corporation (2002-2007)	N/A

Name and Municipality of Residence	Position with GLG Life Tech	Principal Occupations for the past 5 years⁽³⁾	Director Since
Brian Palmieri ⁽²⁾ Cody, Wyoming	Chief Executive Officer, Treasurer and Director	Chief Executive Officer, and Director of GLG Life Tech Corporation (2005 to present) Principal of American Tool and Die Inc., Lee Livingston Outfitters, Palco International Inc. and AAFAB International Inc. (2002-2007)	June 21, 2005
Ron Paton Surrey, British Columbia	Secretary	Lawyer, Associate Counsel Maitland & Company	N/A
Jinduo Zhang ⁽²⁾ Burnaby, British Columbia	Director	Retired Professor	June 21, 2005
Dr. Luke Zhang Vancouver, British Columbia	President, Chairman and Director	Chairman, President, and Director of GLG Life Tech Corporation (2005 to present) Chairman, Skyland International Group Ltd. (2002-2007)	June 21, 2005

(1) Independent Director

(2) Member of the Audit Committee

The following is a brief description of the background of the directors and executive officers of GLG Life Tech Corporation.

Directors and Officers

David Beasley (Director)

Mr. Beasley resides in Society Hill, South Carolina and was appointed as a director of the Company on June 21, 2005. From 1999 to 2000, he worked as a consultant for Bingham Consulting Group, LLC, of Boston, Massachusetts, a consulting business that advises large national and international companies on public issues. For the past four years, Mr. Beasley, through his company Public Square Strategies, Inc., has continued to provide consulting services to various companies on public issues, his main client being Merrill Lynch & Co., Inc. Mr. Beasley was Governor of South Carolina from 1995 to 1999 and sat in the South Carolina House of Representatives from 1979 to 1992. Mr. Beasley is an independent director.

David Bishop (Chief Operating Officer)

Mr. Bishop resides in Atlanta, Georgia and was appointed as the Company's chief operating officer on February 2, 2007. Mr. Bishop has more than 25 years' experience in a variety of personnel, educational, organizational and management responsibilities. For approximately 15 years, he lived and worked as an expatriate in a cross cultural/cross linguistic environment with a variety of project related duties. Mr. Bishop is also chairman of the Company's subsidiary, Runde and has been a director of Maple Leaf Reforestation, Inc. (TSX-MPE Canada) since September 2006.

Sophia Leung (Director)

Madame Leung resides in Vancouver, British Columbia and was appointed as a director of the Company on February 2, 2007. Madame Leung has served in political positions on a national level, including as special advisor in international trade to Canada's prime minister from 2004-2006, parliamentary secretary for National Revenue of

Canada from 2000-2004 and Member of Parliament of Canada 1997-2004. Madame Leung is an independent director.

Brian Meadows (Chief Financial Officer)

Mr. Meadows resides in Tsawwassen, British Columbia and was appointed as the Company's chief financial officer on October 9, 2007. Mr. Meadows has 20 years' experience in the telecommunications industry in both North America and Europe. He has held senior financial and business development roles in several start-up companies in Europe earlier in his career (1996-2001) as well as having worked with large public companies in Canada in both financial and operational roles. Mr. Meadows holds both the Certified Financial Analyst (CFA) designation as well as the Certified Management Accountant (CMA) designation. He obtained his international MBA from the University of Glasgow in 1995 and a Bachelor of Business Administration from Wilfrid Laurier University in 1987.

Brian Palmieri (Director, Chief Executive Officer and Treasurer)

Mr. Palmieri resides in Cody, Wyoming and was appointed as the chief executive officer, treasurer and a director of the Company on June 21, 2005. During the past five years Mr. Palmieri's time has been divided between the following businesses in which he is a principal:

- a. American Tool and Die Inc., the principal business of which is metals manufacturing and of which he is president;
- b. Lee Livingston Outfitters, the principal business of which is outfitting; and
- c. Palco International Inc. and AAFAB International Inc., the principal business of both being international trading and consulting and of which he serves as president.

For the last four years Mr. Palmieri's principal occupation has been as Chief Executive Officer of the Company. Mr. Palmieri is a non-independent director.

Ron Paton (Secretary)

Mr. Paton resides in Surrey, British Columbia and has served as the Company's corporate secretary since April 3, 2000. He practices business law for private and publicly traded companies as associate counsel with the Vancouver law firm, Maitland & Company.

Jinduo Zhang (Director)

Jinduo Zhang is a retired professor, resides in Burnaby, British Columbia and was appointed as a director of the Company on June 21, 2005. Professor Zhang was, before his retirement, a physics professor at Shandong Heze University. He was also involved with the financial management of the university and in the family jewelry and pharmacy business. In 1986, he retired from his professorship in China and moved to the United States and then Canada. Since retirement, Professor Zhang has been active in the development and expansion of his family business functioning as an advisor and financial consultant for various projects. Professor Zhang is a non-independent director.

Dr. Luke Zhang (President, Chairman and Director)

Dr. Zhang is a Canadian citizen and currently resides in China. He was appointed president of the Company on September 6, 2007 and as the chairman and a director of the Company on June 21, 2005. Dr. Zhang received his PhD in Pharmacology from Vanderbilt University and has worked in international business for over 20 years. He is a non-independent director.

Corporate Cease Trade Orders and Bankruptcies

None of the directors or executive officers of the Company are, or within the ten years prior to the date of this Annual Information Form, have been a director, officer or promoter of any other issuer or reporting company which have been struck from the Registrar of Companies by the B.C. Registrar of Companies or other similar authority or

was subject to a cease trade or similar order, or an order that denied the other issuer access to any statutory exemptions, or suspension order for a period of more than 30 consecutive days. None of the directors or executive officers of the Company have been a director, officer or promoter of any other issuer or reporting company which was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislative authority relating to bankruptcy or insolvency or has been subject to or has instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that reporting company.

Penalties and Sanctions

None of the directors or executive officers of the Company have been the subject of any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, the promotion, formation or management of a publicly traded company or involving theft or fraud.

Individual Bankruptcies

None of the directors or executive officers of the Company has, within the ten years prior to the date of this Annual Information Form, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of GLG will be subject with respect to the operations of GLG. Certain of the directors and officers of GLG also serve as directors and officers of other companies. Situations may arise where the directors and officers will be engaged in direct competition with GLG. Any conflicts of interest will be subject to and governed by the law applicable to directors and officers conflicts of interest, including the procedures prescribed by the *Business Corporations Act* (British Columbia).

If a conflict of interest arises at a meeting of the board of directors of GLG, any director in a conflict will disclose his interest and abstain from voting on such matter. See "*Risk Factors – Conflicts of Interest*".

CORPORATE GOVERNANCE

The board of directors of the Company is responsible for the supervision of the management of the Company's business and affairs. The board of directors is currently composed of five directors, two of whom the Company considers to be independent as set out below. The board of directors considers a member to be independent if he has no direct or indirect material relationship with the Company which, in the view of the board of directors, would reasonably be perceived to materially interfere with the exercise of the director's independent judgment. The board's current composition is as follows:

David Beasley – independent

Sophia Leung – independent

Brian Palmieri – non-independent

Jinduo Zhang – non-independent

Dr. Luke Zhang – non-independent

Brian Palmieri and Dr. Luke Zhang are executive officers and significant shareholders of the Company, hence they are not considered to be independent of management. Jinduo Zhang is deemed to be non-independent by virtue of his family relationship with Dr. Luke Zhang.

It is the intention of the board of directors that, subject to TSX approval, an additional independent director be appointed to the board of directors of the Company in the second quarter of 2008. Upon the appointment of the additional independent director, each of the committees of the board of directors will be reconstituted and consist of three independent directors.

Audit Committee

The Audit Committee has adopted a Charter that sets out its responsibilities. The Audit Committee Charter, as approved by the board of directors, is attached as Appendix A to this Annual Information Form.

Composition of and Education and Experience of Members of the Audit Committee

The Audit Committee is currently composed of the following directors: David Beasley, Madame Sophia Leung and Jinduo Zhang. The Audit Committee reports to the board of directors, and is responsible for assisting in the board of directors' oversight of the reliability and integrity of the accounting principles and practices, financial statements, other financial reporting, and disclosure practices followed by management of the Company and its subsidiaries.

Of the Audit Committee members, Madame Leung and David Beasley are independent. It is the intention of the Company that upon the appointment of an additional independent director, the Audit Committee will be reconstituted and consist of three independent directors. See "*Corporate Governance*".

Each of the three current members of the Audit Committee is financially literate based on their experience as a chief executive, financial officer or officers and directors of public and/or private companies. See "*Directors and Officers*" for a description of the education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member.

Pre-Approval Policies and Procedures of Non-Audit Services

The Audit Committee's Charter sets out responsibilities regarding the provision of non-audit services by the Company's external auditors. As a matter of practice the Audit Committee, and or the audit committee chairman acting on behalf of the audit committee, pre-approves all audit and permitted non-audit services to be performed by the external auditors and identifies and reviews the types of non-audit services or mandates that it considers to be incompatible with the principles underlying the independence of the external auditors.

External Auditor Service Fees

The aggregate fees for professional services rendered by the Company's auditors, Lo Porter Hetu, Certified General Accountants, for the years ended December 31, 2007 and December 31, 2006 are as follows:

Fiscal years ended December 31	2007	2006
<i>Lo Porter Hetu, Certified General Accountants</i>		
Audit Fees (for audit of the Company's annual financial statements for the respective year and assistance with the Company's quarterly financial statements)	\$120,000	\$31,400
Audit-Related Fees	\$903	\$785
Total Audit and Audit-Related Fees	\$120,903	\$32,185
Tax Fees (for preparation of tax returns)	\$2,000	\$2,332
All Other Fees	-	-
Total Fees	\$122,903	\$34,517

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is currently working through a contract dispute with Northern Securities Inc. ("Northern"). The dispute centres on the performance by Northern and the Company of their respective obligations under a sponsorship agreement entered into by the parties in connection with the Company's listing on the Toronto Stock

Exchange. In connection with the dispute, Northern has claimed that it is entitled to \$28,664.36 in cash and 250,000 Common Shares of the Company, in addition to the compensation already paid by the Company to Northern. The Company believes that Northern's claim is without merit.

The Company's subsidiary, Qingdao Runde Biotechnology Limited ("Runde"), manufactures stevia products at its facility in the Shandong province. Runde leases the manufacturing facility and the property was seized by the Shandong Heze Intermediate People's Court on July 4, 2007 in connection with litigation relating to the property owner. The litigation has had no impact on the Company's operations to date and the Company expects it will not be impacted in the future by this matter.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, the Company is not aware of any material interest, direct or indirect, of (i) any shareholder that is a direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of the voting rights attached to the Common Shares, (ii) any of our directors or executive officers or our subsidiaries' directors or executive officers, or (iii) any associate or affiliate of any of the foregoing, in any transaction which has been entered into within the three most recently completed financial years or during the current financial year, that has materially affected or will materially affect the Company.

AUDITORS, REGISTRAR AND TRANSFER AGENT

Auditors

The Company's auditors are Lo Porter Hetu, Certified General Accountants at their offices at 223-14 Street N.W. Calgary, Alberta T2N 1Z6.

Transfer Agent and Registrar

The Company's transfer agent and registrar is Pacific Corporate Trust Company at its principal offices in Vancouver, British Columbia and Toronto, Ontario.

INTEREST OF EXPERTS

The Company's auditors Lo Porter Hetu, Certified General Accountants, have prepared the auditors' report attached to the Financial Statements. The Company has been advised by its auditors that they do not, directly or indirectly, hold any of the Company's securities or have any interest in the Company's property.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business or as otherwise disclosed herein, there are no other material contracts entered into within the most recently completed financial year or before the most recently completed financial year that are still in effect.

The material contracts disclosed herein are:

The Cargill Agreement.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the most recent Management Proxy Circular dated July 4, 2007 for the Company's annual general meeting of shareholders that involves the election of directors held on August 10, 2007. Additional financial information is provided in the Financial Statements. A copy of these documents may be obtained upon request from the Corporate Secretary or may be obtained from SEDAR at www.sedar.com under the company name, GLG Life Tech Corporation.

APPENDIX A

AUDIT COMMITTEE CHARTER

GLG LIFE TECH CORPORATION (the “Company”)

The Audit Committee (the “Committee”) is a committee of the board of directors (the “Board”) of the Company. The role of the Committee is to provide oversight of the Company’s financial management and of the design and implementation of an effective system of internal financial controls as well as to review and report to the Board on the integrity of the financial statements of the Company, its subsidiaries and associated companies. This includes helping directors meet their responsibilities, facilitating better communication between directors and the external auditor, enhancing the independence of the external auditor, increasing the credibility and objectivity of financial reports and strengthening the role of the directors by facilitating in-depth discussions among directors, management and the external auditor. Management is responsible for establishing and maintaining those controls, procedures and processes and the Committee is appointed by the Board to review and monitor them. The Company’s external auditor is ultimately accountable to the Board and the Committee as representatives of the Company’s shareholders.

Duties and Responsibilities

External Auditor

- To recommend to the Board, for shareholder approval, an external auditor to examine the Company’s accounts, controls and financial statements on the basis that the external auditor is accountable to the Board and the Committee as representatives of the shareholders of the Company.
- To oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- To evaluate the audit services provided by the external auditor, pre-approve all audit fees and recommend to the Board, if necessary, the replacement of the external auditor.
- To pre-approve any non-audit services to be provided to the Company by the external auditor and the fees for those services.
- To obtain and review, at least annually, a written report by the external auditor setting out the auditor’s internal quality-control procedures, any material issues raised by the auditor’s internal quality-control reviews and the steps taken to resolve those issues.
- To review and approve the Company’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company. The Committee has adopted the following guidelines regarding the hiring of any partner, employee, reviewing tax professional or other person providing audit assurance to the external auditor of the Company on any aspect of its certification of the Company’s financial statements:
 - (a) No member of the audit team that is auditing a business of the Company can be hired into that business or into a position to which that business reports for a period of three years after the audit;
 - (b) No former partner or employee of the external auditor may be made an officer of the Company or any of its subsidiaries for three years following the end of the individual’s association with the external auditor;

- (c) The CFO must approve all office hires from the external auditor; and
- (d) The CFO must report annually to the Committee on any hires within these guidelines during the preceding year.
- To ensure that the head audit partner assigned by the external auditor to the Company, as well as the audit partner charged with reviewing the audit of the Company, are changed at least every five years.
- To review, at least annually, the relationships between the Company and the external auditor in order to establish the independence of the external auditor.

Financial Information and Reporting

- To review the Company's annual audited financial statements with the CEO and CFO and then the full Board.
- To review the interim financial statements with the CEO and CFO.
- To review and discuss with management and the external auditor, as appropriate:
 - (a) The annual audited financial statements and the interim financial statements, including the accompanying management discussion and analysis; and,
 - (b) Earnings guidance and other releases containing information taken from the Company's financial statements prior to their release.
- To review the quality and not just the acceptability of the Company's financial reporting and accounting standards and principles and any proposed material changes to them or their application.
- To review with the CFO any earnings guidance to be issued by the Company and any news release containing financial information taken from the Company's financial statements prior to the release of the financial statements to the public. In addition, the CFO must review with the Committee the substance of any presentations to analysts or rating agencies that contain a change in strategy or outlook.

Oversight

- To review the internal audit staff functions, including:
 - (a) The purpose, authority and organizational reporting lines;
 - (b) The annual audit plan, budget and staffing; and
 - (c) The appointment and compensation of the controller, if any.
- To review, with the CFO and others, as appropriate, the Company's internal system of audit controls and the results of internal audits.
- To review and monitor the Company's major financial risks and risk management policies and the steps taken by management to mitigate those risks.

- To meet at least annually with management (including the CFO), the internal audit staff, and the external auditor in separate executive sessions and review issues and matters of concern respecting audits and financial reporting.
- In connection with its review of the annual audited financial statements and interim financial statements, the Committee will also review the process for the CEO and CFO certifications (if required by law or regulation) with respect to the financial statements and the Company's disclosure and internal controls, including any material deficiencies or changes in those controls.

Membership

- The Committee shall consist solely of three or more members of the Board, each of whom the Board has determined has no material relationship with the Company and is otherwise "unrelated" or "independent" as required under applicable securities rules or applicable stock exchange rules.
- Any member may be removed from office or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director. Each member of the Committee shall hold office until the close of the next annual meeting of shareholders of the Company or until the member ceases to be a director, resigns or is replaced, whichever first occurs.
- The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.
- All members of the Committee must be "financially literate" (i.e., have the ability to read and understand a set of financial statements such as a balance sheet, an income statement and a cash flow statement).

Procedures

- The Board shall appoint one of the directors elected to the Committee as the Chair of the Committee (the "Chair"). In the absence of the appointed Chair from any meeting of the Committee, the members shall elect a Chair from those in attendance to act as Chair of the meeting.
- The Chair will appoint a secretary (the "Secretary") who will keep minutes of all meetings. The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chair.
- No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum.
- The Committee will meet as many times as is necessary to carry out its responsibilities. Any member of the Committee or the external auditor may call meetings.
- The time and place of the meetings of the Committee, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the bylaws of the Company or otherwise determined by resolution of the Board.
- The Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms (including termination) of special counsel, advisors or other experts or consultants, as it deems appropriate.

- The Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations and shall discuss with the CEO or the CFO such records and other matters considered appropriate.
- The Committee has the authority to communicate directly with the internal and external auditors.

Reports

- The Committee shall produce the following reports and provide them to the Board:
 - (a) An annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter. The performance evaluation should also recommend to the Board any improvements to this Charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make this report.
 - (b) A summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting.