



**GLG Life Tech
Corporation
Management
Discussion &
Analysis**

**Third Quarter Ended
September 30,**

2008

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Forward-Looking Statements

Certain statements in this management discussion and analysis and the information incorporated herein by reference constitute “forward-looking statements”. Such forward-looking statements include, without limitation, statements evaluating 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 under the heading “Risk Factors” in the Company’s Annual Information Form filed on SEDAR at www.sedar.com and described herein under the headings “Risk Related to our Business” and “Risk Associated with Doing Business in the People’s Republic of China” 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 management discussion and analysis 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, except in accordance with applicable securities laws. 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.

This management’s discussion and analysis (“MD&A”) relates to the consolidated financial condition and results of operations of GLG Life Tech Corporation (“GLG”) together with its subsidiaries in the People’s Republic of China (“China”). As used herein, the word “Company” means, as the context requires, GLG and its subsidiaries. The common shares of GLG are listed on the Toronto Stock Exchange (the “Exchange”) under the symbol “GLG”. Except where otherwise indicated, all financial information reflected herein is expressed in Canadian dollars and determined on the basis of Canadian generally accepted accounting principles (“Canadian GAAP”). This MD&A should be read in conjunction with GLG’s audited consolidated financial statements for the period ended December 31, 2007, and notes thereto.

Additional information relating to GLG Life Tech Corporation including its Annual Information Form can be found on GLG's web site at www.glglifetech.com or on the SEDAR web site for Canadian regulatory filings at www.sedar.com.

The preparation of the consolidated financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. GLG bases its estimates on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

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

GLG has issued guidance on and reports on certain non-GAAP measures that are used by management to evaluate the Company's performance. Because non-GAAP measures do not have a standardized meaning, securities regulations require that non-GAAP measures be clearly defined and qualified, and reconciled with their nearest GAAP measure. Where non-GAAP measures are reported, GLG has provided the definition and reconciliation to their nearest GAAP measure.

Auditor's Involvement

The auditors of GLG Life Tech Corporation have not performed a review of the interim financial statements for the three-month and nine-month periods ended September 30, 2008.

Overview

GLG is a world leader in the production of low cost/high quality stevia extract. Our vertically integrated strategy includes the development of stevia seeds, growth of seedlings, planting, leaf harvesting, extraction and refining as well as final formulation of product for consumers. Stevia is a natural, calorie free sugar substitute, derived from the leaves of the stevia plant scientifically known as *Stevia Rebaudiana Bertoni*.

Upon the harvesting of the stevia leaf it is processed by GLG for the commercial sale of the resulting industrial powder to the food and beverage industry. Cargill Incorporated (“Cargill”) announced in May 2007 it would introduce the world’s first commercial scale natural, zero-calorie high intensity sweetener sourced from stevia and call it *rebiana*. GLG is a strategic supplier to Cargill for high quality stevia extract for its rebiana product. The two companies have worked in close partnership to develop a world-class supply chain including leaf supply and extract manufacturing.

GLG has its primary extract manufacturing capabilities and agricultural assets located throughout China. The Company entered the stevia production business in December 2006 with the acquisition of 100% ownership of Qingdao Runde Biotechnology Company, Ltd. (“Runde”). This turnkey plant provided GLG with an annual capacity for high grade stevia extract of 200 metric tons (MT). The facility has recently completed an upgrade project to 500 MT of annual capacity of high grade stevia extract. The Company believes demand for stevia could increase significantly over the coming years and is investing in the capacity needed for projected growth.

GLG experiences a competitive advantage due to patent-pending seedlings that have higher Rebaudioside A (RA) content (the sweet component of the stevia leaf), vertically integrated operations (R&D, seed base, and processing facilities), proprietary processing technology and low labour costs given the location of its operations.

Stevia is a safe, healthy alternative to artificial substitutes and sugar. It includes no additional chemicals and provides a healthy, 100% natural solution for consumers. Indigenous to Paraguay, stevia has been used to sweeten food and beverages for over 200 years.

Beyond GLG’s core stevia production business, the Company is involved in sports nutrition, research, preventative health software, manufacturing, retail chain stores, and medical clinics. The Company’s goal in these divisions is to reach people by providing healthy solutions for better living.

Third Quarter Corporate Developments

A. Revisions to the Strategic Alliance Supply Agreement with Cargill; US\$20M Stevia Raw Leaf Financing

On August 11, 2008, GLG completed the previously announced revisions to the strategic alliance supply agreement with Cargill and a US\$ 20M financing for the purchase of raw stevia leaf.

Highlights of amendments to the original agreement include:

- i. The Company and Cargill have agreed to reduce the rolling three year minimum commitment to a rolling twelve month commitment. For the period from October 1, 2008 to September 30, 2009, the twelve month committed revenue to GLG is estimated at a minimum of US\$ 25 million. For each of years two and three, once volume and price have been agreed, Cargill will be required to either take the committed volume or pay the agreed price.
- ii. The Company will take the lead role in arranging working capital financing for the Company's stevia leaf purchases each year beyond 2008 and Cargill may assist or participate but will not be required to do so.
- iii. Cargill has provided a US\$20 million loan facility to GLG to allow GLG to make leaf purchases from its suppliers during the current growing season. As security for that financing, GLG has provided Cargill with a general security agreement securing all the assets of GLG, which includes provisions for accommodation of other leaf financing lenders as well as term lenders for capital expenditure and working capital purposes. The term of this financing is for fifteen months at a floating rate based on LIBOR + 6%.
- iv. Cargill and the Company have agreed to amend the exclusivity terms to allow the Company to develop its stevia extract business with customers other than Cargill.
- v. Cargill will pay the Company a one-time restructuring fee of US\$ 2.5 million.
- vi. Cargill will provide the Company with an additional US\$5 million through the exercise of warrants of GLG.
- vii. GLG is no longer obligated to offer up to 93% of its production of RA extract to this customer and this clause has been replaced with a proactive forecasting process between the two parties to address future year's stevia extract requirements for Cargill.

Key provisions that remain unchanged from the original agreement include:

- i) GLG will provide a minimum of 80% of Cargill's global requirements of RA stevia extract for the first five years of the agreement.
- ii) GLG will be Cargill's exclusive Chinese supplier of RA stevia extract for the term of the agreement. GLG will also be Cargill's agent in China for any additional RA stevia extract sourcing opportunities that should arise.
- iii) New product opportunities from GLG are to be offered to Cargill on a right of first refusal basis.
- iv) Should Cargill wish to terminate the agreement early, it may do so on three years notice.

B. CDN \$38.7 Million Secured in Lines of Credit in China

On July 29 2008, GLG announced it had arranged secured credit lines of approximately CDN\$ 38.7 million (approximately RMB 250 million) with banks and financial service institutions in China.

The term of these credit lines commenced on July 28, 2008 and will end on July 27, 2009. The interest rates, which will range from 6.73% to 7.47%, will be based on the benchmark one-year lending rate with discounts applied. Company intent for use of funds includes the purchase of additional high quality stevia leaf for customers other than the Company's strategic partner and to finance the expansion of extraction facilities in Dongtai and Mingguang.

C. Venture Established with Weider Global Nutrition

On September 9, 2008 GLG announced that is had signed a definitive agreement to establish a venture with Weider Global Nutrition of Salt Lake City, Utah, dedicated to the sale of dietary and tabletop supplements containing various GLG stevia products. The key product offerings of the venture are high quality stevia extract including Rebpure, an industrial powder with 97% pure Rebaudioside A. The venture was named GLG-Weider Sweet Naturals Corporation and combines GLG's intricate knowledge of stevia extraction and production of stevia products with the marketing, sales and distribution capabilities of Weider Global Nutrition. The venture was formed as a subsidiary and is 55% owned by GLG.

D. Restructure of YHT Retail Chain Store Business in China

On September 8, 2008, the Company negotiated and signed a Heads of Agreement with Shandong Yong He Tang Health Products Chain Stores Limited ("YHT") to restructure its existing business relationship with YHT from direct operational involvement in YHT's business to a relationship of passive investor in YHT. The course of action was seen by Management as the best strategy to create value for its shareholders and to maintain focus on furthering the stevia business opportunity.

The Heads of Agreement key terms include:

- (1) The two parties' intent is to terminate the amended and assigned supply agreement as of December 31, 2008.
- (2) The two parties' intent is to terminate GLG's right of first refusal to purchase YHT.
- (3) No additional interest would be accrued by GLG on the existing loan balance starting the month of September 2008.
- (4) No additional commissions would be charged by GLG to YHT starting the month of September 2008.
- (5) GLG is to convert all amounts owed into shares in YHT at a 2.2 conversion rate (e.g. for every \$1 in debt, GLG will receive \$2.20 in equity) and will become a passive shareholder in YHT.

- (6) If this agreement is not finalized by December 31, 2008, the Company would resume the interest on loan receivable and commission income from the month of September 2008.
- (7) The Head of Terms negotiation is open until December 31, 2008 and as of the date of the financial statements, no conclusion has been reached.

GLG's 2008 Stevia Leaf Harvest in China

During 2008, the Company worked to develop its stevia seed, seedling and leaf growth business successfully as planned through its Bengbu Seed Base operation (formally AHTD) wholly owned subsidiary. GLG benefited greatly from its exclusive growing areas in Mingguang and Dongtai, China during the stevia harvest that took place from August through October 2008.

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Highlights:

- a. Local Chinese Governments strongly supported GLG's rights to purchase leaf in both Mingguang and Dongtai.
- b. GLG was given first right to purchase leaf in these exclusive growing areas supported by Governments.
- c. GLG and the Chinese Government introduced new quality measures based on official China national standards for the stevia leaf purchase process of 2008. The standards included the requirement for farmers to meet certain quality standards in the raw leaf crop or to face downward price adjustments if quality offered to GLG did not meet Chinese national standard.
- d. Farmers were given the choice to sell any unaccepted or rejected lower quality leaf to other competitors.
- e. GLG successfully increased the quality of the stevia leaf it purchased in 2008 from that purchased during the 2007 harvest.
- f. Pricing for leaf was higher than GLG expected, however, GLG managed to purchase stevia leaf more competitively than those competitors who bought leaf with no quality standards in place. This focus on quality plus GLG's other manufacturing cost advantages are expected to allow GLG to maintain a very competitive cost position versus other China extract providers and other worldwide competitors.
- g. GLG is very satisfied with the progress made in educating the farmers on stevia leaf quality and from the support of the local China Governments to ensure there is a growing high quality stevia leaf supply in the future.

Stevia Industry Regulatory Developments

Recently, there has been movement across scientific bodies worldwide for the approval of the use of stevia in food and beverage applications as a new all natural sugar substitute. This movement has resulted in the removal of restrictions on the ingredient in many countries, which heretofore had only allowed stevia to be consumed as a dietary supplement.

FAO/World Health Organization Joint Expert Committee on Food Additives (JECFA) Approval

In June of this year the Joint Expert Committee on Food Additives, administered jointly by the World Health Organization and the Food and Agricultural Organization of the United Nations, raised the Acceptable Daily Intake (ADI) level for stevia. JECFA is an international scientific committee established in 1956 to evaluate food additives. Leading the global scientific community in research and in establishing the principles and guidelines of safety assessment for chemicals in food, the committee has evaluated more than 1500 food additives, approximately 40 contaminants and naturally occurring toxicants, and residues of approximately 90 veterinary drugs.

After over a decade of study, JECFA published approval of stevia stating that "95 percent steviol glycosides are safe for human use in the range of four milligrams per kilogram of body weight per day". This doubled the ADI level previously set by JECFA from earlier studies.

These findings added to its previous releases in 2006 which established that "stevioside and rebaudioside A are not genotoxic in vitro or in vivo". JECFA has been instrumental in paving the way for the establishment of safe and healthy food additives for over 50 years.

Australia and New Zealand Approval

In October, the Australian and New Zealand food and safety regulatory body FSANZ also approved stevia for use in food and beverages as an ingredient. The approval was based on research and data published by JECFA as well as 10-year studies conducted by the Plant Science Group at Central Queensland University and Australian Stevia Mills. The petition and subsequent approval of stevia are part of a movement towards the development of healthier products in the food and beverage industry which are driven by both consumer and regulatory demand.

Other Governments

In addition to governments such as Australia and New Zealand, announcements have been made for the allowance of stevia to be sold in Switzerland. Europe has traditionally been the most strict regulatory community for stevia but interest from industry players in the European region remains strong as the developments and studies published by JECFA are followed.

Currently, stevia is approved as a food additive in many countries such as China, Japan, Paraguay, Korea, Brazil, Israel and Malaysia. In Paraguay, it has been used for over 200 years to sweeten food and

beverages. In other parts of the world, stevia is very widely used and even now accounts for over 40% of the sweetener market in Japan. Korea and Japan are currently the largest markets for stevia.

United States Food and Drug Administration (FDA)

In the United States, leading industry players including Cargill in partnership with The Coca-Cola Company, PepsiCo in partnership with Merisant, and others have submitted applications to the FDA for the approval of stevia as an additive in food and beverages. Stevia remains acceptable for sale under its current status as a dietary supplement.

In May of this year, Cargill, the world's leading agricultural and food products provider, published studies in the peer-reviewed scientific journal Food and Chemical Toxicology that made findings regarding the safety of stevia and one of its particular extracts Rebaudioside A. According to the study, "the safety evaluation program included metabolism and pharmacokinetic studies, general and multi-generational safety studies, intake studies and human studies." Further, "the newly published data complemented the body of existing scientific research on steviol glycosides...affirmed positive safety data from earlier studies on purified steviol glycosides...and have proven definitively that [stevia] is safe".

These studies were submitted to the FDA among a host of other scientific data that included years of in-depth study and clinical trials that supported the use of stevia as a safe and healthy food ingredient. The studies were accompanied by an application for approval as a food ingredient under GRAS (Generally Regarded as Safe) status. The FDA requires a minimum of 180 days to complete its review of the data and application before issuing its opinion.

PepsiCo and Merisant, through its subsidiary The Whole Earth Sweetener Company, have also submitted similar scientific data as well as an application for GRAS approval.

Subsequent Events

The Company delivered two material shipments on October 11, 2008 to a customer from material produced during the third quarter which resulted in US\$ 1.1 million of revenue as well as a 39% reduction in the customer prepayment balance of US\$ 2,845,600 reported as of September 30, 2008. As of October 11, 2008, the customer prepayment had been reduced from US\$ 2,845,600 to US\$ 1,736,800.

Results

The following results have been derived from and should be read in conjunction with the consolidated financial statements of GLG for the quarter ending September 30, 2008, and its annual consolidated financial statements for 2007.

In thousands Canadian \$, except per share amounts	Third quarter 2008 Restated	Third quarter 2007 Restated	% Change	Nine months 2008 Restated	Nine months 2007 Restated	% Change
Revenue	\$3,302	\$2,259	46.2	\$5,235	\$5,431	3.6
Gross Profit	\$832	\$823	1.0	\$1,392	\$1,761	(20.9)
% of Revenue	25.2%	36.4%	(11.2)	26.6%	32.4%	(5.8)
Expenses	\$1,686	\$532	(216.5)	\$3,828	\$1,042	(267.4)
% of Revenue	51.1%	23.6%	(27.4)	73.1%	19.2%	(53.9)
Income (loss) from Operations	(\$854)	\$291	(394)	(\$2,436)	\$719	(439)
% of Revenue	(25.9%)	12.9%	(38.8)	(46.5%)	13.2%	(59.7)
Other Income (Expenses)	(\$113)	(\$759)	(85)	(\$1,071)	(\$806)	(32.9)
% of Revenue	(3.4%)	(33.6%)	30.2	(20.5%)	(14.8%)	(5.7)
Net Income (loss) before Income Taxes and Non-Controlling Interests	(\$967)	(\$468)	(107)	(\$3,507)	(\$87)	(3934)
% of Revenue	(29.3%)	(20.7%)	(8.6)	(67%)	(1.6%)	(65.4)
Net Income (loss) after Income Taxes and Non-Controlling Interests	(\$952)	(\$468)	103	(\$3,492)	(\$87)	(3918)
Earnings (loss) per share (Basic)	(\$0.01)	(\$0.01)	-	(\$0.05)	(\$0.00)	500
Earnings (loss) per share (Diluted)	(\$0.01)	(\$0.01)	-	(\$0.05)	(\$0.00)	500
Total Comprehensive Income (Loss)	\$1,815	(\$795)	328%	\$4,396	(\$1,185)	471%
% of Revenue	55.0%	(35.2%)	90.2%	84.0%	(21.8%)	105.8%
Depreciation & Amortization	\$656	\$140	369	\$1,398	\$378	270
% of Revenue	19.9%	6.2%	(13.7)	27.0%	7.0%	20
Share Compensation Expense	\$61.3	-	-	\$91.9	-	-

In thousands Canadian \$, except per share amounts	Third quarter 2008 Restated	Third quarter 2007 Restated	% Change	Nine months 2008 Restated	Nine months 2007 Restated	% Change
% of Revenue	1.9%	-	-	1.8%	-	-
EBITDA (1)	(\$123)	\$431	(129)	(\$954)	\$1,097	(187)
% of Revenue	(3.7%)	19.1%	(22.8)	(18.2%)	20%	(38.2)

(1) EBITDA is a non-GAAP financial measure. GLG calculates it by adding to net income before income taxes and non-controlling interests (1) depreciation and amortization expense reported on the income statement, (2) Interest Expense (Income) and (3) share compensation expense. This may not be the same definition used by other companies.

Results of Operations

The following results from operations has been derived from and should be read in conjunction with the consolidated financial statements of GLG for the quarter ending September 30, 2008, and its annual consolidated financial statements for previous years. Certain 2007 comparative figures have been reclassified to conform to the current financial statement presentation.

Revenues

Revenue for the third quarter ending September 30, 2008 was \$3,302,176, an increase of 46.2% over \$2,258,810 in revenue for the third quarter in 2007. Stevia revenue was \$3,302,176 for the third quarter in 2008, a 65% increase compared to \$2,002,653 in the third quarter 2007. Revenue for the third quarter was lower than management expected by approximately \$2.0 million and was affected by the following two factors:

(1) Shipping Delays - Two key shipments of high grade stevia that were produced within the quarter were subsequently recognized as revenue on October 11, 2008 due to shipping delays for high grade stevia goods;

(2) Availability of Sufficient Power - The impact of the Olympics in China restricted utilities availability. This affected the Company's ability to operate its Qingdao production facility during the third quarter and resulted in less production time than during the second quarter. To reduce the impact of future power interruptions, the Company purchased a power generator for its Qingdao operations.

Revenues for the first nine months of 2008 were \$5,234,730, a marginal increase of 3.6% over \$5,430,517 in revenue for the first nine months of 2007. Revenue for the first nine months of the year is lower than management expected by approximately \$2.0 million. The main reasons for the lower than anticipated revenue are driven by two factors: (1) Shipping Delays - two key shipments of high grade stevia that were produced within the quarter and were subsequently recognized as revenue on October 11, 2008 due to shipping delays for high grade stevia goods and (2) Availability of sufficient power to run its plant - the impact of the Olympics in China that restricted utilities availability for GLG's Qingdao plant and impacted GLG's ability to run its production facility during the third quarter for the same amount of up time as it had during the second quarter.

Gross profit

Gross profit for the quarter ending September 30, 2008 was \$831,522, an increase of 1% over \$823,085 in gross profit for Q3 2007. The main driver for the increase in gross profit for the third quarter 2008 compared with the third quarter of 2007 was higher stevia sales. Additional discussion on gross profit results is presented in the Summary Quarterly Results section. Gross profit includes all direct and indirect manufacturing costs including depreciation.

The key components of stevia cost of sales include:

- a. stevia leaf
- b. salaries and wages of manufacturing labour
- c. manufacturing overhead used in the production of stevia extract, including supplies, power and water.
- d. depreciation of the stevia extract processing plants.

The key factors that impact stevia cost of sales and gross profit percentages in each period include:

- a. The price paid for stevia leaf and the stevia leaf quality, which is impacted by crop quality for a particular year/period. This is the most important factor that will impact the gross profit of GLG's stevia business. As previously stated in the December 31, 2007 MD&A, leaf purchased during the 2007 stevia harvest was of poorer quality than previously experienced by the GLG management team. The impact is reflected in the third quarter gross profit for the stevia business segment as lower leaf quality has resulted in lower yields thus driving up cost of sales.
- b. The price per kilogram for which the extract is sold.

c. The sale of by-products (also known as co-products). There were a very small number of co-product sales during the third quarter due to the focus on production of high grade stevia. Sales of by-products have historically increased the overall gross profit of the stevia business.

d. Other factors which also impact stevia cost of sales to a lesser degree include plant capacity utilization, wages rates, water and power consumption used in the process.

Gross profit for the first nine months of 2008 was \$1,391,964, a decrease of 20.9% over \$1,760,807 in gross profit for the first nine months of 2007. Although the stevia business segment gross profit was up 9.5% for the first nine months of 2008 compared with the first nine months of 2007, the decrease in gross profit was caused by the nil gross profit from the procurement business for the first nine months of 2008

EBITDA

EBITDA for the quarter ending September 30, 2008 was (\$122,985), a decrease of 129% over \$430,753 in EBITDA in Q3 2007. The EBITDA loss on revenues has narrowed by \$357,547 for the third quarter of 2008 relative to the second quarter of 2008 or a 71% improvement for the third quarter. EBITDA was also impacted by the net increase in sales, general and administration related expenses of \$352,192 over the second quarter of 2008. These higher expenses are directly attributable to additional staff being hired in China to operate the new greenfield production facilities scheduled for commencement of operations in the fourth quarter of 2008 and other start-up related expenses in China. The Company has also incurred a significant increase in expenses as a result of the start-up of its new GLGWeider Sweet Naturals venture and higher public company and corporate governance costs associated with its December 2007 TSX listing and corporate development projects undertaken in the third quarter.

EBITDA for the first nine months of 2008 was (\$953,805), a decrease of 187% over \$1,096,774 in EBITDA for the first nine months of 2007. The main drivers for the decrease in EBITDA for the first nine months of 2008 compared to the first nine months of 2007 is attributable to a lower than expected gross profit from its stevia business as well as higher operating expenses for the Company. The lower than expected gross profit for the first nine months of 2008 was described under the revenues section above as well as the cost factors described under the gross profit analysis. The higher operating expenses of the Company were driven by the start-up of its two new Greenfield processing facility subsidiaries in China located in the cities of Mingguang and Dongtai and the start-up of its new GLG-Weider Sweet Naturals venture in advance of material revenues. GLG has also incurred higher operating public company and corporate governance costs in 2008 associated with its TSX listing and corporate development projects undertaken in the first nine months of 2008.

The following table provides reconciliation of Canadian GAAP Net Income to EBITDA.

In thousands Canadian	Third quarter 2008 Restated	Third quarter 2007 Restated	% Change	Nine months 2008 Restated	Nine months 2007 Restated	% Change
Net income (loss) before income taxes and non-controlling interests	(\$967)	(\$468)	(107)	(\$3,507)	(\$87)	(3,934)
Add:						
Depreciation and Amortization	\$656	\$140	369	\$1,398	\$378	270
Other (Income) Expense excluding donation	(\$112)	(\$759)	85	(\$1,048)	(\$806)	(309)
Non-Cash Share Compensation Expense	\$61	-	-	\$92	-	-
EBITDA	(\$123)	\$431	(129)	(\$954)	\$1,097	(187)

Net Income (Loss)

Net loss for the third quarter 2008 was \$967,435, an increase of 103% over third quarter 2007 net loss of \$468,047. The basic earnings (loss) per share (EPS) were (\$0.01) for the third quarters of 2008 and 2007. Earnings were primarily impacted by larger expenses driven by three main categories, (1) higher corporate operating expenses associated with the Company's move to the TSX in December 2007, (2) start-up expenses in China associated with the two new Greenfield production facilities and (3) expenses related to the development of the new venture, "GLGWeider Sweet Naturals" in advance of material revenues commencing. Net loss for the third quarter 2008 was \$967,435, versus a loss of \$1,605,854 in the second quarter of 2008. The loss for the third quarter narrowed by \$638,419 from the loss in the second quarter reflecting a higher gross profit of \$538,834 from stevia sales for the third quarter relative to the second quarter of 2008 as well as lower other expenses of \$492,526 in the third quarter compared to those incurred during the second quarter. Higher sales, general and administration costs in the third quarter of \$352,192 relative to the second quarter of 2008 offset the gains from a higher gross profit and lower other income (expenses) in the third quarter in comparison to the second quarter of 2008.

Net loss for the first nine months of 2008 was \$3,491,503, in comparison with a loss of \$86,898 for the first nine months of 2007. The basic loss per share were (\$0.05) for the first nine months of 2008 compared with \$0.00 for the first nine months of 2007. Losses were primarily impacted by larger expenses driven by three main categories, (1) higher corporate operating expenses associated with the Company's move to the TSX in December 2007, (2) start-up expenses in China associated with the two new Greenfield production facilities and (3) expenses related to the development of the new venture, "GLG Weider Sweet Naturals" in advance of material revenues commencing.

Foreign Exchange gains (losses)

GLG reports in Canadian dollars but earns most of its revenues in US dollars and incurs most of its expenses in Chinese Yuan ("RMB"). Impacts of the appreciation of the Chinese Yuan against the Canadian dollar are shown separately under the Cumulative Translation Adjustment ("CTA") account on the Balance Sheet. The appreciation of the RMB relative to the Canadian dollar during the last quarter was positive for the values of the GLG China subsidiaries. For example the RMB rate used to value the balance sheet accounts on December 31, 2007 was 0.1380 Canadian dollars per RMB. As of September 30, 2008, the exchange for Canadian dollars per RMB was 0.1548, or an appreciation of 12.17% from the exchange rate on December 31, 2007. The balance of the CTA account was \$6,579,824 on September 30, 2008 compared to balance of (\$1,307,926) as at December 31, 2007. The exchange rate fluctuations of the US dollar and the Canadian dollar had no significant impact on the cumulative translation account in the third quarter of 2008.

Comprehensive Income

In thousands Canadian	Third quarter 2008 Restated	Third quarter 2007 Restated	% Change	Nine months 2008 Restated	Nine months 2007 Restated	% Change
Net Loss	(\$952)	(\$468)	(103)	(\$3,492)	(\$87)	(3,918)
Other Comprehensive Income	\$2,767	(\$327)	946	\$7,888	(\$1,098)	818
Total Comprehensive Income	(\$1,815)	(\$795)	328	(\$4,396)	(\$1,185)	(471%)

The Company recorded total comprehensive income of \$1,814,710 for the three months ended September 30, 2008, comprising \$951,983 of net loss and \$2,766,693 of other comprehensive income. For the nine months ended September 30, 2008, the Company recorded \$4,396,247 of total comprehensive income, comprising \$3,491,503 of net loss and \$7,887,750 of other comprehensive income. The other comprehensive income was solely made up of the currency translation adjustments recorded on the revaluation of the Company's investments in self-sustaining Chinese subsidiaries due to the strengthening of the RMB. This gain is held in accumulated other comprehensive income until it is realized, at which time it is included in net income.

Expenses

In thousands Canadian \$	Q3 2008	Q3 2007	% Change	Nine months 2008	Nine months 2007	% Change
	Restated	Restated		Restated	Restated	
Expenses	\$1,686	\$532	(216.9)	\$3,828	\$1,042	(267)
% of Revenue	51.1%	23.6%	(27.5)	73.1%	19.2%	(53.9)

Consolidated expenses include sales, general and administration costs (SG&A) plus depreciation and amortization expenses on non-manufacturing fixed assets and stock based compensation. (Schedule 1 to the Interim Financial Statements for the third quarter 2008 provides the details of these costs.)

The SG&A increase (Expenses less depreciation, amortization and stock compensation expense) for the third quarter 2008 over the third quarter 2007 was \$902,808 or a 171% increase. This increase was driven primarily by increases in consolidated salary and wages, consulting fees, office expenses, professional fees and listing expenses. The total of these five categories for the third quarter was \$1,120,446 and represent 95% of the increase between the third quarter 2008 and the third quarter of 2007.

The cost increases for the third quarter are both 1) one-time related development costs for the Company related to the start-up of its new plants in China and its GLG Weider Sweet Naturals venture and 2) ongoing operating costs related to the hiring of additional staff in China for the new production line and new Greenfield plants. GLG has increased its employee base to 543 as of September 30, 2008 from year-end 2007 levels of 215, reflecting a 153% increase. A large proportion of the employee additions have been in advance of the start-up of the production needs of the new Greenfield facilities. As a result, certain salary and salary related costs for new production employees that appear in the third quarter SG&A costs will move to direct production costs once these new facilities are up and running. Approximately 21% of the third quarter SG&A expense was either one-time in nature or salaries of employees that will ultimately be part of production costs once plants are up and running.

SG&A (Expenses less depreciation, amortization and stock compensation expense) for the third quarter increased by 46% over comparable second quarter 2008 costs. The prime driver for the cost increases over the second quarter 2008 were the hiring of additional staff in China for the new Greenfield production facilities and the incurrence of necessary additional start-up expenses which accounted for 70% of the increase over the second quarter 2008.

The SG&A increase (Expenses less depreciation, amortization and stock compensation expense) for the first nine months of 2008 compared with the first nine months of 2007 was up \$2,149,922 or a 209% increase. This increase was driven primarily by increases in consolidated salary and wages, consulting fees, office expenses, professional fees and listing expenses. The total of these five categories accounted was \$2,380,444 for the 2008 nine month period. Salary and consulting fees accounted for 36% of the

increase comparing the first nine months of 2008 SG&A expenses to the first nine months of 2007. Professional fees accounted for 15% of the increase comparing the first nine months of 2008 SG&A expenses to the first nine months of 2007. Office related expenses accounted for 13% of the increase in the first nine months of 2008 SG&A expenses compared to the first nine months of 2007. These cost increases incurred in the first nine months of 2008 are both one-time development costs related to the start-up of its new plants in China and its new GLG-Weider Sweet Naturals venture as well as ongoing operating costs related to the hiring of additional staff in China for the new production line and new Greenfield plants currently under construction.

Depreciation and Amortization Expense

In thousands Canadian	Third quarter 2008 Restated	Third quarter 2007	% Change	Nine months 2008 Restated	Nine months 2007	% Change
Depreciation and Amortization	\$656	\$140	369	\$1,398	\$378	270
% of Revenue	19.9%	6.2%	(13.7)	27.0%	7.0%	20

The depreciation and amortization increase for the third quarter 2008 over the third quarter 2007 reflects the commencement of the intangible patent amortization at the beginning of 2008 from the acquisition of Agricultural High Tech Developments Limited at the end of the fourth quarter 2007 (total amortization was \$182,394 for the third quarter 2008). Depreciation is included in the cost of goods sold as well as in the consolidated expenses reported below gross profit on the Income Statement. The above table provides a summary of total depreciation and amortization expenses reported.

Depreciation and amortization for the first nine months of 2008 was \$1,397,624, an increase of 270% over \$377,818 for the first nine months of 2007. Of the \$1,019,806 increase over the comparable period for 2007, the intangible patent amortization at the beginning of 2008 from the acquisition of Agricultural High Tech Developments Limited accounted for \$531,604 or 52% of the increase. The other key driver for the increase in depreciation has the decrease in useful life for resin equipment which was decreased from 20 to 15 years starting on January 1, 2008 as well as increased depreciation from the addition of capital plant after the first half of 2008.

Other Income (Expenses)

In thousands Canadian \$	Third quarter 2008 Restated	Third quarter 2007 Restated	% Change	Nine months 2008 Restated	Nine months 2007 Restated	% Change
Other Income (Expense)	(\$113)	(\$759)	(85)	(\$1,071)	(\$806)	(32.9)
% of Revenue	(3.4%)	(33.6%)	30.2	(20.5%)	(14.8%)	(5.7)

Other expense for the third quarter 2008 was \$113,017 a decrease of 85% over the third quarter 2007 other expense of \$759,102. GLG offset interest expenses of \$353,159 with interest earned on its cash equivalent balances totalling \$24,524,334 as of September 30, 2008. Interest expense was driven by the interest due on a customer prepayment of US\$7,000,000 arranged in June 2007 as well as the new customer prepayment of US \$20 million that was received during the third quarter. The interest rate on the new prepayment is LIBOR plus 6%. The balance of the US \$7 million customer prepayment at September 30, 2008 was \$3,016,051 – down \$3,533,049 from the year-end balance of \$6,549,100. As GLG ships product to this customer, the customer prepayment balance and interest expense will also decrease.

Other expense for the first nine months of 2008 was \$1,070,899, a 32.9% increase compared to \$805,854 for the first nine months of 2007. The key driver for the decrease has been the use of conversion of the convertible debt at the end of June 2008 and the repayment progress made on the US\$7,000,000 customer prepayment during the quarter. Interest expenses of \$1,686,795 associated with the convertible debenture and interest on the US\$7 million advance from a customer were the two main sources of interest expense for the first nine months of the year. These expenses have been offset partially by \$636,705 interest earned on cash equivalent balances. During the first nine months, GLG also donated \$22,749 (RMB 150,000) in response to the earthquake that took place in Sichuan Province of China.

Convertible debenture

The use of proceeds for the convertible debenture issued in June 2007 was as follows: 50% to finance the Runde 500 MT plant upgrade and 50% for working capital purposes. The interest rate on the convertible debenture was 12% and had two warrants attached. The effective interest rate was 18% after reflecting the discount on the convertible debenture. This discount is amortized over the term of the convertible debenture which was 12 months. On June 30, 2008, the debenture was converted and 1,976,082 common shares were issued.

Customer Prepayment

The interest rate on the first customer prepayment (see MD&A section "Advances from Customers" for more information) is LIBOR + 3.25%. The average interest rate on the customer prepayment for the third quarter of 2008 was approximately 5.93%. The use of proceeds for the customer prepayment was to finance stevia leaf purchase for this customer's order in 2007. GLG will repay the prepayment as it ships product against this customer's order. GLG made significant progress to reduce the balance of this customer advance during the third quarter and was able to reduce the balance to \$3,016,051 as of September 30, 2008. The balance of the customer prepayment has decreased \$3,533,049 or 53% from the year-end balance of \$6,549,100. During the third quarter, GLG negotiated an extension of this prepayment balance to November 30, 2008 where GLG must either ship sufficient goods by November 30 to this customer or repay the balance on that date.

The Company also negotiated a new customer prepayment for the amount of US\$20 million during the third quarter for the delivery of high grade stevia extract for the period October 1, 2008 through September 30, 2009. The funds were received in July 2008 and this prepayment bears an interest cost of LIBOR plus 6% during the term of this prepayment financing. There is a covenant that at any time during the advance remains outstanding, the Company cannot incur more than US\$80 million of indebtedness for plant expenditures or additional leaf financing beyond the US\$20 million associated with this prepayment. The Company expects to deliver product against this obligation over the period October 1, 2008 through September 30, 2009.

Summary Quarterly Results

The following summary quarterly results should be read in conjunction with the consolidated financial statements of GLG for the quarter ending September 30, 2008 and its annual consolidated financial statements for previous years.

The selected consolidated information below has been gathered from quarterly financial statements for the previous eight quarterly periods:

In thousands Canadian \$, except per share amounts	2008			2007				2006
	Q3 Restated	Q2 Restated	Q1 Restated	Q4 Restated	Q3 Restated	Q2	Q1	Q4
Consolidated Revenue	\$3,302	\$1,092	\$841	\$3,727	\$2,258	\$1,297	\$1,874	\$994
Gross profit	\$832	\$293	\$268	\$896	\$823	\$472	\$465	\$444
Gross profit %	25%	27%	32%	24%	36%	36%	25%	45%
Net Income (Loss)	(952)	(\$1,606)	(\$934)	\$456	(\$468)	\$96	\$285	\$224
Basic Earnings (Loss) Per Share	(\$0.01)	(\$0.02)	(\$0.01)	\$0.01	(\$0.01)	\$0.00	\$0.00	\$0.01
Diluted Earnings (Loss) Per Share	(\$0.01)	(\$0.02)	(\$0.01)	\$0.00	(\$0.01)	\$0.00	\$0.00	\$0.01
EBITDA	(\$123)	(\$481)	(\$350)	\$451	\$431	\$232	\$383	\$208

Quarterly Net Income (Loss)

Net income (loss) for the third quarter 2008 was (\$967,435), versus a loss of (\$1,605,854) in the second quarter of 2008. The loss for the third quarter narrowed by \$638,419 from the loss in the second quarter reflecting a higher gross profit of \$538,834 from stevia sales for the third quarter relative to the second quarter of 2008 as well as lower other income (expenses) of \$492,526 in the third quarter compared to those incurred during the second quarter. Higher sales, general and administration costs in the third quarter 2008 of \$321,550 relative to the second quarter of 2008 offset the gains from a higher gross profit and lower other income (expenses) in the third quarter in comparison to the second quarter of 2008.

Quarterly Basic and Diluted Earnings (Loss) Per Share

The basic earnings (loss) per share (EPS) were (\$0.01) for the third quarter 2008 compared with (\$0.02) for the second quarter of 2008. Compared to the second quarter of 2008, the loss per share was

reduced by higher revenues and gross margin from GLG's stevia business in the third quarter of 2008. The loss per share was driven by a higher ramp-up of expenses associated with new facilities start-ups and the development of the new venture, GLG Weider Sweet Naturals Corp. The diluted earnings (loss) per share were a loss of \$0.01 per share for the third quarter 2008 compared to a loss of \$0.02 per share for the same period in 2007 and were impacted by the same factors as mentioned for the basic loss per share for the quarter.

Segmented Quarterly Results

The Company operates in one reportable operating segment, being the manufacturing and selling of a refined form of stevia and has operations in Canada and China.

Stevia Operations Quarterly Results

In thousands Canadian\$	2008				2007			2006
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Stevia Revenue	\$3,302	\$1,092	\$841	\$3,356	\$2,003	\$1,094	\$1,746	\$753
Gross profit *	\$ 832	\$293	\$273	\$576	\$569	\$356	\$337	\$204
Gross profit %	25%	27%	32%	17%	28%	33%	19%	27%

* *Cost of Goods Sold for stevia includes raw material (stevia leaf), direct and indirect manufacturing costs including equipment depreciation, plant labour, supplies used in the manufacturing process and utility costs to run plant and machinery.*

GLG's stevia business is affected by seasonality. The harvest of the stevia leaves typically occurs from the end of the second quarter (ending June 30) through July and August of each year. This period has historically been a slow time for stevia manufacturers as shipments typically decrease over this period before the harvest is complete and delivery of the new stevia leaf takes place. In 2007, the stevia leaf harvest occurred slightly later with the leaf arriving on site at Runde in late August. A full year's supply of raw material is purchased during the third quarter as there is currently only one stevia leaf harvest in China.

For the leaf harvest for 2008, the harvest has been even later beginning in August and the majority of purchases completed in October. Therefore inventory levels are typically higher in the fourth quarter until raw material is converted into finished products and shipped to customers. Gross profit is significantly influenced by the quality of the stevia leaf crop harvested in any given year. GLG's production management saw a generally poorer quality stevia leaf crop collected in 2007 than seen in

previous years. The poorer quality leaf has had a significant impact on gross profit for the third quarter. The lower gross profit also reflects very few co-product sales during the third quarter. For the leaf harvest in 2008 (see earlier section "Third Quarter Corporate Developments"), GLG with the support of Chinese local governments implemented new quality standards for leaf purchase and has seen the leaf quality improve for its leaf purchases in 2008 as a direct result of these efforts. The leaf purchased during the third quarter is expected to be reflected in the GLG financial results starting in the fourth quarter 2008 and through the first nine months of 2009. GLG's operations in China are also impacted by Chinese New Year celebrations during the month of February each year where many businesses close down operations for approximately two weeks.

Capital Expenditures

In thousands Canadian\$	Third quarter 2008 Restated	Third quarter 2007 Restated	% Change	Nine months 2008 Restated	Nine months2007 Restated	% Change
Capital Expenditures	\$18,626	\$315	5,813	\$32,164	\$1,337	2,306%

GLG's capital expenditures were \$18.6 million for the third quarter of 2008 versus \$0.32 million in Q3 2007. Third quarter 2008 capital expenditures were driven by the Greenfield leaf processing facility builds at the Runhai (Mingguang) and Runyang (Dongtai) subsidiaries. The status of GLG's major capital expenditure projects is provided in the Outlook section.

Liquidity and capital resources

In thousands Canadian \$	September 30, 2008 Restated	December 31, 2007 Restated
Cash & Cash equivalents	\$30,190	\$28,253
Current Ratio (1)	1.97	3.31
Working Capital	\$28,497	\$30,761
Total Assets	\$138,737	\$94,129
Total Liabilities	\$33,277	\$17,230
Advances from Customers (Current Portion)	\$24,214	\$6,549
Loans Payable (Current Portion)	-	\$6,000
Total Equity	\$105,231	\$76,898

(1) Current Ratio = Current Assets / Current Liabilities

Cash and cash equivalents increased by \$1,936,235 from the balance of December 31, 2007. Working capital decreased by \$2,264,208 from the year-end 2007 position. Total liabilities include the Advances from Customer in the amount of \$24,214,051. The increase in total equity since December 31, 2007 reflects the exercise of \$12.5 million in warrants on January 30, 2008, the exercise of 208,067 stock options in the second quarter, the conversion of the \$6 million convertible debenture at the end of the second quarter and an additional \$5 million of warrants exercised in August 2008.

Cash used by operating activities was \$7,887,000 in this quarter and \$9,196,471 for the first nine months in 2008, compared to \$2,969,118 used in the third quarter of 2007 and \$2,506,293 generated in the first nine months of 2007. The biggest use for non-cash working capital was the purchase of raw materials for GLG's upcoming 2009 stevia production year.

Cash used by investing activities was \$18,703,294 in this quarter and \$32,281,548 for the year to date, compared to \$295,308 and \$1,486,793 in the same periods in 2007. The majority of the cash outflow was to finance the new 500 MT facility and the construction in progress in Dongtai and Mingguang for the new Greenfield stevia processing plants.

Cash generated by financing activities was \$23,487,778 in this quarter and \$35,120,746 for the nine months ending September 30, 2008, compared to \$2,919,984 and \$12,741,058 in the same periods in 2007. The key items that generated the increase in cash generated by financing activities during the quarter came from a net increase in advances from a customer of \$18.3 million and the exercise of \$5.2 million in warrants.

The Company's working capital and working capital requirements fluctuate from quarter to quarter depending on, among other factors, the production output along with the amount of sales conducted during the quarter. The Company's principal working capital needs include accounts receivable, taxes receivable, inventory, prepaid expenses, and other current assets, and accounts payable and interest

payable. The Company's cash requirements are driven by differences in the timing of cash receipts and the cash outflows. The Company has the ability, to draw on the \$38.7 million (RMB 250 million) secured line of credit to finance these timing differences.

The Company's 2008 capital expenditure program requires additional investments totalling approximately \$29 million by end of 2008 and the Company's preliminary capital expenditure estimate for 2009 is \$15 million to \$30 million. The Company plans to finance these investment needs with cash on hand, cash from operations and the \$38.7 million (RMB 250 million) secured line of credit which have been arranged with Chinese banks to finance the remaining expenditures for 2008 and the low end of the 2009 capital expenditure estimate (\$15 million). The Company also believes that it has the ability to access to more financing that would be required to finance the higher range of the 2009 capital expenditures (\$30 million). However, if such debt facilities fail to realize or such equity issuances are not available on the terms that are acceptable to the Company, the Company may be required to curtail its intended initiatives and transactions, which may result in incurring certain costs associated therewith.

Convertible Debenture Financing

On June 22, 2007, the Company issued convertible debentures ("Debentures") and share purchase warrants ("Warrants") to purchase common shares of the Company for total gross proceeds of up to \$6,000,000. The Debentures were due on June 30, 2008 and bore interest at a rate of 12% per annum, payable semi-annually in arrears beginning on December 31, 2007. The Debentures were convertible into common shares with the first third of the principal converted at a conversion price of \$2.80 per common share, the second third of the principal converted at \$3.05 per common share and the remaining converted at \$3.30 per common share. The Debentures were issued with warrants to purchase up to 1,200,000 common shares of the Company. The warrants expire on June 22, 2009 and are each exercisable for one common share of the Company at a price of \$3.05 for the first 600,000 common shares and \$3.30 for the second 600,000 common shares.

Notice was received from the holder of the Debenture and it was converted as at June 30, 2008 into 1,976,082 common shares of the Company at an average conversion price of \$3.036 per share. The Debentures were convertible, at the option of the holder, at any time prior to maturity. Since redemption could be made either by cash or by common shares at the option of the Company, the Debentures were classified as a compound financial instrument for accounting purposes.

Advances from customers

In July 2007, the Company signed a five year supply agreement and a prepayment agreement for the 2007-2008 order with one of the Company's customers whereby the customer would finance up to US\$7,000,000 for the purchase of stevia leaves, which would be further processed into stevia extract to be shipped to the customer. The prepayment is to be repaid upon the sale of stevia extracts to that customer, which commenced on September 1, 2007 and lasted through September 15, 2008. Interest at

Libor + 3.25% was charged per annum, payable on a quarterly basis. The average interest rate on the customer prepayment for the third quarter of 2008 was approximately 5.93%. During the third quarter, GLG negotiated an extension of this prepayment balance to November 30, 2008 where GLG must either ship sufficient goods by November 30 to this customer or repay the balance on that date. The balance of this prepayment was \$3,016,051 as at September 30, 2008.

The Company also negotiated a new customer prepayment for the amount of US\$20 million (CDN\$21,198,000) during the third quarter for the delivery of high grade stevia extract for the period October 1, 2008 through September 30, 2009. The US\$20 million was received in July 2008 and this prepayment bears an interest cost of LIBOR plus 6% during the term of this prepayment financing. The Company will deliver product against this obligation over the period October 1, 2008 through September 30, 2009. Interest on this balance will accrue and also be repaid through the value of the products shipped by GLG to this customer, thereby reducing direct cash outlays on interest costs as was the case with the first customer prepayment of US\$7 million. There is a covenant that at any time during the advance remains outstanding, the Company cannot incur more than US\$80 million of indebtedness for plant expenditures or additional leaf financing beyond the US \$20 million associated with this prepayment. The balance of this prepayment was US\$20,000,000 (CDN\$21,198,000) as at September 30, 2008.

Contractual obligations (as of October 31, 2008)

In thousands Canadian \$	2008	2009	2010	2011	2012	Thereafter,	Total
Customer prepayment*	\$3,016	\$21,198	\$-	\$-	\$	\$-	\$24,214
Operating Leases	\$133	\$133	\$133	\$133	\$133	\$248	\$913
Equipment & Construction Contracts	\$16,432	\$2,900	\$-	\$-	\$-	\$-	\$19,332
Purchase Commitments (**)	\$-	\$22,000					\$22,000
Total	\$19,581	\$46,231	\$133	\$133	\$133	\$248	\$66,459

* This amount is expected to revolve each year and will renew in June of a fiscal year to finance the next leaf harvest payments to farmers.

** This commitment is related to the announcement on April 18, 2008 of a 20-year agreement signed with the government of Juancheng County in the western Shandong Province of China, which gave GLG the exclusive rights to grow high quality stevia leaf, build and operate stevia processing facilities, as well as the exclusive right to purchase high quality stevia leaf grown in that region. This

financial commitment is related to GLG's construction of a new leaf processing facility in that region by September 30, 2009

The Company has contractual obligations due within the next twelve months including:

- a) The customer prepayment of \$3,016,051 (US\$ 2,845,600) is due by November 30, 2008. The customer prepayment is settled through product shipments which commenced in 2007. As discussed in the subsequent events section, as of October 11, 2008, this customer prepayment balance had been reduced from US \$2,845,600 to US \$1,736,800. The Company expects that it will negotiate a customer prepayment each year with its major customer to finance the leaf purchase required for the next year of its contract delivery. As of July 17, 2008, GLG has entered into an additional prepayment arrangement with this customer for US \$20 million (\$CDN 21.2 million) for leaf financing. This prepayment will be during the next contracted delivery period of October 1, 2008 through September 30, 2009.
- b) Equipment and construction contracts associated with its capital expenditure program.

The outlook section also provides additional information concerning GLG's capital expenditure program in 2008.

Capital Structure

Outstanding Share Data as at November 11, 2008

	Shares
Common Shares Issued and Outstanding	74,024,662
Stock Options	5,538,866
Warrants	18,897,335
Reserved for Issuance - AHTD Acquisition	8,750,000
Reserved for Issuance - Other	250,000
Total Reserved for Issuance	33,436,201
Fully Diluted Shares	107,460,863

China laws require all wholly owned foreign entities to set aside 10% of retained earnings as a general reserve fund for employee benefit every year until such a fund has reached 50% of the Company's registered capital. The law allows the funds in the reserve to be distributed to shareholders at the wind up of the reserve. The reserve has been included in retained earnings on the balance sheet. The total reserve of the Company at September 30, 2008 is \$277,687 (December 31, 2007 - \$139,474). This reserve fund applies to all of GLG's China based subsidiaries.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

During the third quarter ending September 30, 2008, the Company entered into the following transactions with related parties:

1. Pursuant to the respective consulting agreements, the Company paid and/or accrued consulting fees for the third quarter of 2008 of \$123,848 (Q3 2007 - \$57,356) to three companies separately controlled by three officers.
2. The Company entered into a five-year facility rental agreement expiring on December 31, 2011 with a company that two officers have ownership interest in. During the quarter, the Company paid facility rental fees of \$30,751 (RMB 202,766) (Q3 2007 – \$28,031)
3. The Company sold \$64,765 of goods to a company that two officers have ownership interest in.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

2008 Outlook

Operations - 2008 Outlook

The Company continues to expect the market for its stevia products to be stronger in 2008 relative to the demand seen in 2007. As at the date of this MD&A, the Company has a contracted order backlog of US\$ 32 million for delivery between the fourth quarter 2008 and September 30, 2009. The Company further expects this backlog to grow as it finalizes additional contracts during the fourth quarter of 2008.

GLG's key operational objectives for 2008 are:

1. Construct new facilities to increase production capacity and revenues (to be completed by Q4)
2. Recruit and train staff in China for new production facilities (to be completed by Q4)
3. Organize stevia growers in partnership with local governments in China (completed in Q1)
4. Implement a new Consumer Products Division and commence operations (completed in Q2)

The Company has excellent relations at both the provincial and municipal levels of government in the provinces of Shandong, Jiangsu and Anhui, China which will assist greatly in the realization of these business objectives in 2008.

GLG Revised Guidance for 2008

	2008 Estimate	2007 Actual
Revenue	\$10 to \$12 million (updated)	\$9.1 million
Metric Tons (MT) Stevia Shipped	125 MT to 150 MT (updated)	113 MT
EBITDA	(\$0.2) to \$0.2 million (updated)	\$1.5 million
Capital Expenditures	\$55 to \$60 million (updated)	\$6.5 million

Revenue – 2008 - Outlook

GLG's stevia operations are expected to drive the majority of forecasted revenue growth in 2008. This growth will be based on delivery against existing customer orders for 2008 as well as expected new orders for the 2008/2009 delivery period. GLG has reduced revenue guidance from \$16-18 million to \$10-12 million for the 2008 fiscal period. The reduction primarily is a result of the delay in the expected start up of the Company's new leaf processing facilities in Mingguang and Dongtai, China. The commencement of these new operations was previously expected to occur at the beginning of the fourth quarter 2008. It is now expected that these facilities will not be operational until late in the fourth quarter, a delay of approximately two months. The chief cause of the two-month delay in construction schedule was directly attributable to earthquake relief efforts. GLG's construction contractors were ordered by the Chinese Government to assist in reconstruction efforts in the earthquake affected areas in China and therefore cannot meet the original Mingguang and Dongtai construction schedules. The impact of the earthquake on GLG supply contracts for the construction of the new facilities is a force majeure event. GLG and suppliers have worked to manage this impact on the construction schedule and minimize it to only a two-month delay. The other issue impacting the reduction in revenue outlook was the impact of the Olympics on power supply to GLG's Qingdao facility in the third quarter as previously discussed in the "Results from Operations" section.

The value of the order backlog that GLG has as of September 30, 2008 is approximately US\$ 32 million for delivery in the fourth quarter of 2008 and the first nine months of 2009.

EBITDA guidance has also been reduced from the original 2008 guidance of \$2.6 million to \$3.0 million to a revised 2008 outlook of (\$0.2) million to \$0.2 million as a direct result of the reduction in revenue outlook related to the commencement of operations at the two new facilities in Mingguang and Dongtai.

GLG Weider Sweet Naturals Corporation 2008 Update and Outlook

During the period GLG and Weider Global Nutrition LLC. signed a definitive agreement to establish a new venture focused on the sales and distribution of stevia consumer and industrial stevia extract products. GLG has a 55% controlling interest in this venture. This company will utilize the 70+ years of global business and network of the Weider group in the health and nutrition industry as well as the solid

manufacturing capabilities of GLG in the stevia industry to form a capable sales team that will be able to deliver innovative high quality stevia products on a global basis. This new division is currently reported as part of the stevia business segment for financial reporting purposes.

Further with the changes made to the GLG Cargill supply agreement in August, 2008, GLG has more freedom to pursue sales of wholesale stevia extract to food and beverage companies worldwide. It is the intention of the GLG Weider Sweet Naturals venture to primarily focus on the sales of wholesale stevia extract products to these companies. During the third quarter, the new sales team was very active in developing sales leads for the sale of high grade stevia extract to food and beverage companies across the world. The GLG Weider Sweet Naturals sales team has attended several major trade shows in the US and Europe during the third quarter. The sales team has developed over 200 active sales prospects as of October 31, 2008. The estimated value of these sales prospects is in excess of US\$25 million in 2009 and \$75 million or more in 2010.

GLG's rebsweet industrial powder is also going to be used in dietary supplement products marketed by this venture. The initial sale of GLG's rebsweet formulated and granulated product was sold to Weider Canada for use in their current distribution of their Stevia Sweet product using GLG's rebsweet formula. Stevia Sweet in Canada is currently found in Wal-Mart, Safeway and Sobeys West. The new GLG – Weider Sweet Naturals team, in addition to developing its own products will also have existing Weider Global Nutrition (unique and proprietary) products that will utilize GLG's rebsweet and rebpure stevia. Some of these products that will soon be upgraded to GLG's rebsweet and rebpure products are the existing Sweete brands as well as the Advanced Fruits and the various Quick2Sip Weider products. These consumer products will continue to expand their sales on a global basis through Weider's global network of mainstream multi-national distributors and retailers.

Capital Expenditures - 2008 Outlook

There are four key capital projects for the Company in 2008 which constitute its largest capital program to date. By the end of 2008, the Company expects its capacity for stevia extract production to increase by over 400% which will position it to meet forecasted customer demand for the balance of 2008 and its preliminary revenue outlook for 2009. One of the four capital projects, a 500 MT high grade stevia facility to be located in Dongtai, has been temporarily put on hold. Additional capacity would facilitate further economies of scale and could be needed to meet upcoming demand based on new developments in the market. The Company is currently taking time to examine the optimal design for a larger high grade stevia facility to address this increasingly growing demand. For this reason, this project has been moved to 2009 and is no longer included in the 2008 Capex Outlook. The Company further expects to require capacity upgrades beyond those planned in 2008 to meet additional demand.

The Company has decided that the most economical approach to developing its processing facilities in Mingguang and Dongtai is to develop the land and building infrastructure to accommodate two year expansion requirements rather than just year one's capacity requirement. This approach will allow the

Company to add incremental production lines while limiting the need to construct additional building and facility space, warehouse space or roads in 2009. The building infrastructure will be constructed for two 20,000 MT leaf processing facilities, however the equipment purchased in 2008 will be limited to providing 10,000 MT leaf processing capacity.

Upon completion of its first phase of construction in Mingguang and Dongtai, future capacity upgrades at these locations are expected to be facilitated.

Production Capacity	Year end 2007	Year end 2008
Leaf Processing	5,000	25,000
Intermediate Powder	500	2,500
High Grade Stevia	200	500

List of Key Capital Projects for 2008

GLG Subsidiary	Capital Project	Location	Expected Completion Date	2008 Capital Project Estimate ('000s)
Qingdao Runde Biotechnology Co., Ltd. ("Runde")	500 M T High Grade Stevia Upgrade.	Qingdao, Shandong Province	April, 2008	\$1,000
Status of Project: Complete and operational as of May 2, 2008.				
Dongtai Runyang Stevia High Tech Co. Ltd. ("Runyang")	10,000 MT Leaf Capacity Intermediate Processing Facility	Dongtai, Jiangsu Province	December, 2008	\$28,000
Status of Project: Vendors have been selected, all required Government approvals have been received & construction is on track for completion in late Q4. Some small projects may be completed in Q1, 2009				
Dongtai Runyang Stevia High Tech Co. Ltd. ("Runyang")	500 MT High Grade Stevia Capacity Secondary Processing Facility	Dongtai, Jiangsu Province	2009	Deferred Pending larger facility design
Status of Project: Management has decided in light of expected near term market opportunities to investigate a larger facility for the production of high grade stevia product. This project was put on hold as a result during the third quarter.				
Chuzhou Runhai Stevia High Tech Co., Ltd. ("Runhai")	10,000 MT Leaf Capacity Intermediate Processing Facility	Mingguang, Anhui Province	December, 2008	\$28,000
Status of Project: Vendors have been selected, all required Government approvals have been received & construction is on track for completion in late Q4. Some small projects may be completed in Q1, 2009				
Total 2008 Capex Program Outlook				\$57,000
Total Capex spent to date (September 30, 2008)				\$27,508
Balance Capex expected within 2008				\$29,492

2009 Preliminary Outlook

Operations - 2009 Outlook

The Company is also providing preliminary financial guidance for its 2009 fiscal year (January 1, 2009 through December 31, 2009). Revenues are expected to be driven primarily by the Company's core stevia extract business. The Company expects to exit 2008 with significantly higher production capacity than that with which it started. The Company already has approximately US\$30 million under contract for delivery in 2009. This would equate to CDN\$33.3 million using an average of \$0.90 per \$US exchange rate assumption for 2009. Capital expenditures at the low end of the range include plans to build an additional high grade stevia facility in 2009. The high end of the capital expenditure range would include the high grade facility as well as an additional leaf processing capacity expansion which would be driven by additional sales contract commitments from potential customers.

GLG Preliminary Guidance for 2009

	2009 Estimate
Revenue	\$50 to \$60 million
EBITDA	\$8 to \$12 million
Capital Expenditures	\$15 to \$30 million

Critical Accounting Estimates

Critical accounting estimates which require management to make significant judgements, some of which are inherently uncertain. These estimates are critical since they involve material amounts and require management to make estimates that, by their very nature, include uncertainties. The preparation of unaudited interim consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions, mainly concerning the valuation of items, which affect the amounts reported. Actual results could differ from those estimates.

Accounting policies requiring critical accounting estimates include revenue recognition, carrying amount of plant and equipment, valuation allowances for receivables and inventories, the evaluation of goodwill, intangible assets and licenses, and the determination of the value of warrants, deferred sales incentives, deferred revenue, convertible debenture and stock based compensation.

Changes in Accounting Policies

Accounting policies implemented effective January 1, 2008:

Section 1400 "General Standards of Financial Presentation" requires management to assess and disclose the ability of the Company to continue as a going concern. Additional disclosure has been provided in Note 1 to the Unaudited Interim Consolidated Financial Statements.

Section 1535 "Capital Disclosures" requires disclosure regarding what the Company defines as capital and its objectives, policy and processes for managing capital. In addition, disclosures are to include whether companies have complied with externally imposed capital requirements and, if not, the consequences of such non-compliance. Additional disclosure has been provided in Note 29 to the Unaudited Interim Consolidated Financial Statements.

Section 3031 "Inventories" which replaces Section 3030 "Inventories", establishes standards for measurement and disclosure of inventories. Under the new section, inventories are required to be measured at the "lower of cost and net realizable value", which is different from the existing guidance of the "lower of cost and market". The new section contains guidance on the determination of cost and also requires the reversal of any write-downs previously recognized. Certain minimum disclosures are required, including the accounting policies used, carry amounts, amounts recognized as an expense, write-downs, and the amount of any reversal of any write-downs recognized as a reduction in expenses. The adoption of this standard does not have an impact on the Company's consolidated financial statements. Additional disclosure has been provided in Note 8 to the Unaudited Interim Consolidated Financial Statements.

Section 3862 "Financial Instruments – Disclosure" and Section 3863 "Financial Instruments – Presentation" have replaced Section 3861 "Financial Instruments – Disclosure and Presentation". These new sections incorporate many of the disclosure requirements of Section 3861, but place an increased emphasis on disclosure about risk, including both qualitative and quantitative information about the risk exposures arising from financial instruments. Additional disclosure has been provided in Note 28 to the Unaudited Interim Consolidated Financial Statements.

Accounting Policies to be Implemented Effective January 1, 2009

In February 2008, the CICA issued Section 3064 "Goodwill and Intangible Assets" which replaces Section 3062 "Goodwill and Other Intangible Assets" and Section 3450 "Research and Development Costs". Section 3064 establishes standards for recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The new Section will be applicable to the Company's financial statements for its fiscal year beginning January 1, 2009. The Company is currently evaluating the impact of the adoption of this new Section on its consolidated financial statements.

International Financial Reporting Standards ("IFRS")

On February 13, 2008, the CICA Accounting Standard Board confirmed that the use of International Financial Reporting Standards ("IFRS") will be required, for fiscal years beginning on or after January 1, 2011, for publicly accountable profit-oriented enterprises. After that date, IFRS will replace Canadian GAAP for those enterprises. Changing from current Canadian GAAP to IFRS will be a significant undertaking that may materially affect the Company's reported financial position and results of operations.

The Company is currently in the process of assessing the impact of these new accounting standards on its accounting and business process, identifying the resources to be used in the conversion project and developing preliminary conversion plan. The conversion plan also incorporates continuous and active dialogue with the Company's independent auditors throughout the conversion process. Initial training programs have been provided to relevant employees. The Company will follow the key events timeline proposed by the Accounting Standards Board ("AcSB") to obtain training and thorough knowledge of IFRS, finalise assessment of accounting policies with reference to IFRS and plan for convergence to be ready for the 2011 changeover.

Financial Instruments and Other Instruments

Fair Values

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

The carrying value of cash and cash equivalents, investment, subscriptions receivable, accounts receivable, interest receivable, taxes receivable, restricted cash, accounts payable and convertible note payable approximates the fair value because of the short-term nature of these instruments. The fair value of loans receivable approximates the fair value because they bear a fair interest rate.

Credit Risks

The Company has a high concentration of credit risk as the accounts receivable were owed by fewer than five customers. The Company does not believe that it needs to require collateral to support these financial instruments. The carrying amount of financial assets represents the maximum credit exposure. Based on historic default rates, the Company believes that there are minimal requirements for an

allowance for doubtful accounts. As well, deposits by certain customers are often made which also helps to mitigate the risk if there is any.

Currency Risk

The Company conducts its business primarily in Canadian dollars, RMB, and partly in U.S. dollars and Hong Kong dollars. The Company is exposed to currency risk as the functional currency of its subsidiaries is denominated in foreign currencies other than Canadian dollars. The Consolidated Statements of Operations of the Company's global operations are translated into Canadian dollars at the average exchange rates in each applicable period. To the extent the Canadian dollar strengthens against foreign currencies, the foreign currency conversion of these foreign currency denominated transactions into Canadian dollars results in reduced revenues, operating expenses and net income for the Company's international operations. Similarly, the Company's revenues, operating expenses and net income will increase for its international operations if the Canadian dollar weakens against foreign currencies. The Company cannot predict the effect foreign exchange fluctuations will have on its results going forward. However, if there is an adverse change in foreign exchange rates versus the Canadian dollar, it could have a material effect on other comprehensive income. The majority of the Company's assets are in RMB. The RMB is not a freely convertible currency. Many foreign currency exchange transactions involving RMB, including foreign exchange transactions under the Company's capital account, are subject to foreign exchange controls and require the approval of the PRC State Administration of Foreign Exchange. Developments relating to the PRC's economy and actions taken by the PRC government could cause future foreign exchange rates to vary significantly from current or historical rates. The Company cannot predict nor give any assurance of its future stability. Future fluctuations in exchange rates may adversely affect the value, translated or converted into Canadian dollars of the Company's net assets and net profits. The Company cannot give any assurance that any future movements in the exchange rates of RMB against the Canadian dollar and other foreign currencies will not adversely affect its results of operations, financial condition and cash flows. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Of the \$30,290,124 cash, cash equivalents and restricted cash as of September 30, 2008, \$1,934,823 is denominated in US Dollars (USD\$1,825,477), \$1,589,563 is denominated in Canadian Dollars, \$968 in Hong Kong Dollars (HKD\$7,636) and \$26,764,770 is denominated in Chinese Yuan (RMB 172,899,030).

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash balances to meet current working capital requirements. The Company is dependent on obtaining regular financings in order to continue its expansion programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is invested in business accounts with different financial institutions and which is available on demand for the Company's programs, and is not invested in any asset backed commercial paper.

On July 29, 2008 the Company arranged secured credit lines in China with two financial institutions totalling \$38.7 million (RMB 250 million). The term of these two credit lines will commence on July 28, 2008 and end on July 27, 2009. The interest rates will be based on the benchmark one-year lending rate with discounts applied. The Company will use the funds to finance the leaf purchase for customers other than its strategic partner and to finance capital expenditures. As at September 30, 2008, the Company has not been drawn under this facility.

Interest Rate Risk

The Company is exposed to interest rate risk as the Company has a total of \$24,214,051 (US\$22,845,000) advances from a customer that is repayable by shipping of goods. Of this, \$21,198,000 (US\$20,000,000) bears interest at a rate of LIBOR plus 6% per annum and the balance of \$3,016,051 (US\$2,845,600) bore interest at a rate of LIBOR plus 3.25% per annum until September 15, 2008, the original maturity date of the balance. The repayment of balance has been extended with interest bears at LIBOR plus 10.5% per annum from September 15, 2008 to November 30, 2008, the extended maturity date of the advance. Consequently, the Company does not currently use any derivative instruments to modify the nature of its debts so as to manage its interest rate risk. The Company minimizes its interest rate risk by managing its portfolio of debt, as well as managing the term to maturity. In addition, the Company invests surplus cash in bank deposits and short-term money market securities.

Disclosure Controls and Internal Controls over Financial Reporting ("ICFR")

The Company's disclosure controls and procedures were designed to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to management in a timely manner so that information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in applicable securities legislation. The Company's management, under the direction and supervision of the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as at September 30, 2008, and has concluded that such disclosure controls and procedures are effective.

The Company's management, under the direction and supervision of the Chief Executive Officer and Chief Financial Officer, are also responsible for establishing and maintaining internal control over financial reporting. These controls are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. There have been no changes in the Company's internal control over financial reporting for the quarter ending September 30, 2008 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting. The Company is continually taking steps to improve its operational controls and procedures.

The Company's management, including the Chief Executive Officer and Chief Financial Officer, do not expect that the Company's disclosure controls and procedures and ICFR will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable assurance that the control system objectives will be met. The likelihood of achievement is affected by limitations inherent in all internal control systems. These inherent limitations include the realities that judgments or decision making can be faulty, and that breakdowns occur because of simple errors or mistakes. Controls can also be circumvented in numerous ways including collusion, overrides and deception. Another inherent limitation in any system of ICFR is the increasing complexity of Canadian GAAP. With the changing standards, growing rules-based guidance and interpretations, increasing abundance of Canadian, U.S. and International standards and the varying interpretations of Canadian GAAP by professional accountants and regulatory authorities it is possible that the judgments and interpretations made by the Company may differ from that of others. In addition to the inherent limitations, the design of a control system must reflect that there are resource constraints, and the expected benefit of controls must be considered relative to the expected costs. Due to inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. Further, no evaluation of controls can provide absolute assurance that all control issues within a company will be detected.

Risks Related to our Business

This section describes the material risks affecting the Company's business, financial condition, operating results and prospects. A prospective investor should carefully consider the risk factors set out below and consult with his, her or its investment and professional advisors before making an investment decision. 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 that case, the trading price of the common shares could decline substantially, and investors may lose all or part of the value of the common shares held by them.

For further details regarding these following risk factors, amongst others, please refer to the section entitled, "Risk Factors" contained in the Company's Annual Information Form filed on SEDAR at www.sedar.com.

- Intellectual Property Infringement
- Product Liability Costs
- Manufacturing Risk
- Customer Concentration Risk
- Competition
- Government Regulations
- Consumer Perception of Products

- Changing Consumer Preferences
- Market Acceptance
- Dependence on Key Personnel
- Volatility of Share Prices

Risks Associated with Doing Business in the People’s Republic of China

The Company faces the following additional risk factors that are unique to doing business in China. For further details regarding these risk factors, amongst others, please refer to the section entitled, “Risk Factors” contained in the Company’s Annual Information Form filed on SEDAR at www.sedar.com.

- Government Involvement
- Changes in the Laws and Regulations in the People’s Republic of China
- The Chinese Legal and Accounting System
- Currency Controls
- Additional Compliance Costs in the People’s Republic of China
- Difficulties Establishing Adequate Management, Legal and Financial Controls in the People’s Republic of China
- Capital Outflow Policies in the People’s Republic of China
- Jurisdictional and Enforcement Issues
- Political System in the People’s Republic of China

Additional Information

Additional information relating to the Company is available on its website at www.glglifetech.com or in its Annual Information Form available on SEDAR at www.sedar.com.