



GLG LIFE TECH CORPORATION

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three-Month Ended March 31, 2009

(Unaudited – Prepared by Management)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited interim financial statements have been prepared by managements and approved by the Board of Directors.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institutes of Chartered Accountants for a review of interim financial statements by an entity's auditors.

GLG LIFE TECH CORPORATION
CONSOLIDATED BALANCE SHEETS
(In Canadian Dollars)
(Unaudited -Prepared by Management)

	March 31, 2009	December 31, 2008
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 8,617,871	\$ 7,362,671
Short term investments (Note 5)	382,872	365,785
Accounts receivable	1,316,413	2,714,114
Interest receivable	-	3,651
Taxes recoverable	4,125,939	1,504,000
Inventory (Note 6)	36,414,238	33,057,690
Prepaid expenses (Note 7)	3,477,156	7,380,086
	54,334,489	52,387,997
Property, Plant, and Equipment (Note 8)	95,580,260	83,366,043
Goodwill	7,587,798	7,587,798
Restricted Cash (Note 9)	100,877	100,710
Deferred Charges	123,825	125,261
Intangible Assets (Note 10)	30,554,342	30,793,314
	\$ 188,281,591	\$ 174,361,123
LIABILITIES		
Current Liabilities		
Short term bank loans (Note 11)	\$ 16,042,800	\$ 10,231,500
Accounts payable and accruals (Note 12)	22,108,842	17,167,567
Interest payable (Note 13)	1,666,178	1,063,729
Advances from customers (Note 13)	25,540,191	24,492,000
Other short term loan (Note 14)	1,106,400	-
Deferred Revenue (Note 15)	1,330,000	1,995,000
	67,794,411	54,949,796
FUTURE INCOME TAXES, NET	1,661,553	2,414,642
NON-CONTROLLING INTERESTS	127,529	167,211
SHAREHOLDERS' EQUITY		
Share capital (Notes 17 and 18)	93,753,603	93,355,149
Warrants (Note 17)	4,459,181	11,477,908
Contributed surplus	10,469,287	3,347,623
Accumulated other comprehensive income	23,562,950	20,696,008
Deficit (Note 19)	(13,546,923)	(12,047,214)
	118,698,098	116,829,474
	\$ 188,281,591	\$ 174,361,123

Description of business and going concern (Note 1)
Commitments and Contingent Liability (Notes 26 and 27)
Subsequent events (Note 28)

APPROVED ON BEHALF OF THE BOARD:

" Brian Palmieri "

Director

" Jinduo Zhang "

Director

See Accompanying Notes to the Consolidated Financial Statements

GLG LIFE TECH CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Three Months Ended March 31, 2009 and 2008
(In Canadian Dollars)
(Unaudited -Prepared by Management)

	Three months ended	
	March 31	
	2009	2008
REVENUE	\$ 3,000,924	\$ 840,834
		-
	3,000,924	840,834
COST OF SALES	1,582,162	573,081
GROSS PROFIT	1,418,762	267,753
GENERAL AND ADMINISTRATIVE EXPENSES	2,749,921	849,080
LOSS BEFORE THE UNDERNOTED	(1,331,159)	(581,327)
OTHER INCOME (EXPENSES)		
Interest expense (Note 13)	(260,325)	(664,876)
Interest income	16,063	312,536
Foreign exchange loss	(691,232)	-
	(935,494)	(352,340)
LOSS BEFORE INCOME TAXES AND NON-CONTROLLING INTERESTS	(2,266,653)	(933,667)
INCOME TAXES RECOVERY	724,952	-
LOSS BEFORE NON-CONTROLLING INTERESTS	(1,541,701)	(933,667)
NON-CONTROLLING INTERESTS	41,992	-
NET LOSS	(1,499,709)	(933,667)
DEFICIT, beginning of year	(12,047,214)	(1,440,672)
DEFICIT, end of year	(13,546,923)	(2,374,339)
NET LOSS PER SHARE		
Basic	\$ (0.02)	\$ (0.01)
Diluted	(0.02)	(0.01)
Weighted Average Number of Shares Outstanding		
Basic	78,519,662	67,991,488
Diluted	107,464,615	106,144,716

See Accompanying Notes to the Consolidated Financial Statements

GLG LIFE TECH CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOW

For the Period Ended March 31, 2009
(In Canadian Dollars)
(Unaudited -Prepared by Management)

	March 31, 2009	March 31, 2008
Cash provided by (used in)		
Operating activities		
Net loss	\$ (1,499,709)	\$ (933,667)
Items not affecting cash:		
Accretion on convertible debenture	-	432,562
Stock-based compensation	501,392	-
Amortization of property, plant and equipment & intangibles	1,057,718	231,039
Foreign exchange loss	691,232	-
Future income tax recovery	(735,418)	-
Non-controlling interests	(41,992)	-
	(26,777)	(270,066)
Changes in non-cash working capital (Note 20)	(1,672,524)	(392,791)
Cashflow used by operating activities	(1,699,301)	(662,857)
Investing activities		
Increase in short term investment	(7,017)	-
Increase in loan receivable	-	34,254
Increase in restricted cash	(167)	-
Purchase of property, plant and equipment	(4,445,730)	(3,242,896)
Cash flow used by investing activities	(4,452,914)	(3,208,642)
Financing activities		
Increase in short term loan	5,773,800	-
Issuance of common shares	-	12,551,472
Advance from related parties	-	(410,078)
Repaid advance from a customer	-	(859,581)
Increase in advance from a customer	356,959	-
Increase in other short term loan	1,093,200	-
Cash flow from financing activities	7,223,959	11,281,813
Effect of foreign exchange rate changes on cash and cash equivalents	183,456	2,556,949
CHANGE IN CASH AND CASH EQUIVALENTS	1,255,200	9,967,263
CASH AND CASH EQUIVALENTS, beginning of period	7,362,671	28,253,580
CASH AND CASH EQUIVALENTS, end of period	8,617,871	\$ 38,220,843

CASH FLOW SUPPLEMENTARY INFORMATION

Interest paid	\$ 260,325	\$ 505,904
Income taxes received		-
Increase in accounts payable and accruals related to the purchase of property, plant and equipment	4,017,015	-

See Accompanying Notes to the Consolidated Financial Statements

GLG LIFE TECH CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME (LOSS)

For the Three Months Ended March 31, 2009 and 2008

(In Canadian Dollars)

(Unaudited -Prepared by Management)

	Share Capital	Warrants	Equity portion of convertible debenture	Contributed Surplus	Accumulated Other Comprehensive Income ("AOCI")	Deficit	Total Comprehensive Income (Loss)
Balance, December 31, 2007	\$ 61,052,731	\$ 15,378,511	\$ 1,513,003	\$ 1,702,716	\$ (1,307,926)	\$ (1,440,672)	
Warrant exercised by a customer	20,235,133	(2,453,160)	-	-	-	-	
Warrant expired	-	(1,447,443)	-	1,447,443	-	-	
Options exercised	125,527	-	-	(63,107)	-	-	
Convertible debenture converted into common shares	7,513,004	-	(1,513,003)	-	-	-	
Issurance of restricted shares	1,060,004	-	-	-	-	-	
Options granted	-	-	-	260,571	-	-	
Common shares issued	3,368,750	-	-	-	-	-	
Change in foreign currency translation	-	-	-	-	22,003,934	-	22,003,934
Net loss	-	-	-	-	-	(10,606,542)	(10,606,542)
Balance, December 31, 2008	\$ 93,355,149	\$ 11,477,908	\$ -	\$ 3,347,623	\$ 20,696,008	\$ (12,047,214)	\$ 11,397,392
Warrant expired	-	(7,018,727)	-	7,018,727	-	-	
Stock based compensation	398,454	-	-	102,937	-	-	
Change in foreign currency translation	-	-	-	-	2,866,942	-	2,866,942
Net loss	-	-	-	-	-	(1,499,709)	(1,499,709)
Balance, March 31, 2009	\$ 93,753,603	\$ 4,459,181	\$ -	\$ 10,469,287	\$ 23,562,950	\$ (13,546,923)	\$ 1,367,233

See Accompanying Notes to the Consolidated Financial Statements

GLG LIFE TECH CORPORATION

Notes to Consolidated Financial Statements
Three Months Ended March 31, 2009 and 2008
(Unaudited – Prepared by Management)

1. DESCRIPTION OF BUSINESS AND GOING CONCERN

The Company was incorporated under the Companies Act (British Columbia) on June 5, 1998. On March 14, 2007, the Company changed its name to GLG Life Tech Corporation (“GLG” or the “Company”). The principal business of the Company is to manufacture and sell a refined form of stevia.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future, and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company has generated negative cash flows from operations, is reliant on external sources of financing and has a cumulative deficit of \$13,546,923 and a working capital deficiency of \$13,459,922 as at March 31, 2009. The Company’s ability to continue as a going concern is still dependent upon the ability of the Company to continue to generate profitable operations in the future and to obtain the necessary financing to meet its obligations and to repay its liabilities arising from normal business operations when they come due. The Company must also support its planned capital expansion for the next year. The outcome of these matters cannot be predicted with certainty at this time.

Management plans to secure the necessary financing through a combination of renewal of existing credit facilities, the exercise of existing equity instruments for the purchase of common shares, the issue of new equity or debt instruments and entering into joint venture arrangements. Nevertheless, there is no assurance that these initiatives will be successful. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited interim consolidated financial statements include the accounts of the Company and all its significantly owned subsidiaries: Qingdao Runde Biotechnology Company Limited, Dongtai Runyang Stevia High Tech Company Limited, Chuzhou Runhai Stevia High Tech Company Limited, Anhui Bengbu HN High Tech Development Company Limited, Agricultural High-Tech Developments Limited, and 55% owned subsidiary, GLG Weider Sweet Naturals Corp. All significant inter-company balances and transactions have been eliminated upon consolidation.

The unaudited interim consolidated financial statements for the Company are based on the accounting policies consistent with those disclosed in Note 2 to the 2008 annual consolidated financial statements of the Company, with the exception of the changes in accounting policies described below in Note 3 - Changes in Accounting Policies.

In accordance with Canadian generally accepted accounting principles (“GAAP”), these interim financial statements do not include all of the financial statement disclosures required for annual financial statements and should be read in conjunction with the 2008 annual consolidated financial statements of the Company. In management’s opinion, the financial statements reflect all adjustments that are necessary for a fair presentation of the results for the interim periods presented.

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current period.

GLG LIFE TECH CORPORATION

Notes to Consolidated Financial Statements
Three Months Ended March 31, 2009 and 2008
(Unaudited – Prepared by Management)

3. CHANGES IN ACCOUNTING POLICIES

Effective January 1, 2009, the Company adopted Canadian Institute of Chartered Accountants (“CICA”) Handbook section 3064, “Goodwill and Intangible Assets.” This new standard replaces section 3062, “Goodwill and Other Intangible Assets” and section 3450, “Research and Development Costs,” and focuses on the criteria for asset recognition in the financial statements, including those internally developed. The adoption of this standard did not have an impact on the Company’s consolidated financial position or results of operations.

Effective January 1, 2009, the Company adopted the Emerging Issues Committee (“EIC”) Abstract EIC-173, “Credit Risk and the Fair Value of Financial Assets and Financial Liabilities,” issued by CICA. This standard requires the Company to consider its own credit risk as well as the credit risk of its counterparty when determining the fair value of financial assets and liabilities, including derivative instruments. The adoption of this standard did not have an impact on the valuation of the Company’s financial assets or liabilities.

4. RECENT ACCOUNTING PRONOUNCEMENTS

In January 2009, the CICA issued the new handbook Section 1582, “Business Combinations,” which requires that all assets and liabilities of an acquired business to be recorded at fair value at acquisition. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in periods after the acquisition date. The new standard applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period on or after January 1, 2011. Although the Company is considering the impact of adopting this pronouncement on the consolidated financial statements, it will be limited to any future acquisitions beginning in fiscal 2011.

In January 2009, the CICA issued section 1601, “Consolidated Financial Statements,” which will replace CICA section 1600 of the same name. This guidance requires uniform accounting policies to be consistent throughout all consolidated entities and the difference between reporting dates of a parent and a subsidiary to be no longer than three months. These are not explicitly required under the current standard. Section 1601 is effective for the Company on January 1, 2011 with early adoption permitted. This standard will have no impact to the Company.

In January 2009, the CICA issued section 1602, “Non-controlling Interests,” which will replace CICA section 1600, “Consolidated Financial Statements.” Under this new guidance, when there is a change in control the previously held interest is revalued at fair value. Currently a gain of control is accounted for using the purchase method and a loss of control is accounted for as a sale resulting in a gain or loss in earnings. In addition, non-controlling interests (“NCI”) can be in a deficit position because it is recorded at fair value. Currently, NCI is recorded at the carrying amount and can only be in a deficit position if the NCI has an obligation to fund the losses. Section 1602 is effective for the Company on January 1, 2011 with early adoption permitted.

5. SHORT TERM INVESTMENTS

At March 31, 2009, the Company has \$382,872 (RMB 2,076,314) (2008 – \$365,785 or RMB 2,037,800) of 6-month term deposits with the Bank of China, which bear interest at a rate of 1.98% (2008 – 3.78%) per annum.

GLG LIFE TECH CORPORATION

Notes to Consolidated Financial Statements
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 (Unaudited – Prepared by Management)

6. INVENTORY

For the three months ended March 31, 2009, the amount of inventories recognized as expense was \$1,497,390 (2008 - \$567,246). There was no write-down of inventories recognized as an expense, nor any reversal of any write-down. Interest capitalized as a cost of inventory was \$602,449 for the three months ended March 31, 2009 (2008 – nil).

	March 31, 2009	December 31, 2008
Raw material	\$ 20,435,645	\$ 22,920,668
Work in process	13,816,050	8,905,270
Finished goods	2,162,543	1,231,752
	\$ 36,414,238	\$ 33,057,690

7. PREPAID EXPENSES

	March 31, 2009	December 31, 2008
Prepayment for raw material	\$ 2,087,764	\$ 4,037,362
Prepayment for construction and equipment	431,693	2,751,191
Insurance	73,577	65,644
Rent and deposits	149,438	-
Other	734,684	525,889
	\$ 3,477,156	\$ 7,380,086

8. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2009			December 31, 2008		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Ion exchange resin equipment	\$ 18,101,729	\$ 1,161,174	\$ 16,940,555	\$ 9,673,435	\$ 944,565	\$ 8,728,870
Manufacturing equipment and Biological assets	36,142,077	1,176,947	34,965,130	7,951,867	730,566	7,221,301
Buildings	40,041,355	324,545	39,716,810	2,809,244	112,508	2,696,736
Leasehold land use rights and Construction in progress	3,299,374	9,103	3,290,271	64,238,039	-	64,238,039
Computer equipment and software	533,307	30,197	503,110	377,080	15,556	361,524
Motor vehicles and Furniture and fixture	194,496	30,112	164,384	142,843	23,270	119,573
	\$ 98,312,338	\$ 2,732,078	\$ 95,580,260	\$ 85,192,508	\$ 1,826,465	\$ 83,366,043

GLG LIFE TECH CORPORATION

Notes to Consolidated Financial Statements
Three Months Ended March 31, 2009 and 2008
(Unaudited – Prepared by Management)

8. PROPERTY, PLANT AND EQUIPMENT (continued)

Construction in progress is the cost related to the construction of two new leaf processing facilities at its subsidiaries Runhai in Mingguang and Runyang in Dongtai, China.

The leasehold represents land use rights for a term of 50 years. Under the People's Republic of China ("PRC") law, land use rights can be revoked and the tenants can be forced to vacate at any time when re-development of the land is in the public interest.

The total amortization charge to the Cost of Sales for the three months ended March 31, 2009 was \$541,217 (2008 – \$50,000).

There was no interest capitalized during the three months period ended March 31, 2009 (2008 – \$127,785). Testing and preparation charges incurred in the two new leaf processing facilities totaling \$857,882 has been capitalized during the three months period ended March 31, 2009 (2008 – nil).

Property, plant and equipment have been pledged as general collateral for the line of credit facilities available to the Chinese subsidiaries (Note 23d)

9. RESTRICTED CASH

The Company is required to hold a guaranteed investment certificate with a bank as collateral for the Company's credit cards issued to several employees.

10. INTANGIBLE ASSETS

	March 31, 2009			December 31, 2008		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Customer relationship	\$ 15,416,254	\$ 242,134	\$ 15,174,120	\$ 15,416,254	\$ 208,230	\$ 15,208,024
Intangible from AHTD acquisition	16,243,752	863,530	15,380,222	16,243,752	658,462	15,585,290
	\$ 31,660,006	\$ 1,105,664	\$ 30,554,342	\$ 31,660,006	\$ 866,692	\$ 30,793,314

a) Customer relationship

In conjunction with signing the five year supply agreement with Cargill Incorporated ("Strategic Customer"), the Company issued share purchase warrants in July 2007. Since the Company expected to obtain future economic benefits from the relationship an intangible was recorded as the fair value of consideration given to enter into the contract.

The first warrant allowed the Strategic Customer to purchase 14,365,642 common shares of the Company at an exercise price of \$3.50 per share. A second warrant allowed the Strategic Customer to purchase 5,223,943 common shares at an exercise price of \$4.44 per share.

The warrants were valued at \$10,919,330 using the Black-Scholes Option Pricing Model, with the following assumptions:

GLG LIFE TECH CORPORATION

Notes to Consolidated Financial Statements
Three Months Ended March 31, 2009 and 2008
(Unaudited – Prepared by Management)

10. INTANGIBLE ASSETS (continued)

Risk-free interest rate:	4%
Dividend yield:	0%
Volatility:	45%
Expected time to maturity:	various from 7 months to 21 months depending on the lives of the warrants.

All warrants were expired as of March 31, 2009. The customer relationship is amortized over a ten-year period based on the ratio of actual sales to planned sales volume expected to be generated under the contract.

b) Intangible from AHTD acquisition

On December 27, 2007, the Company acquired all issued and outstanding shares of Agricultural High-Tech Developments Limited (AHTD), a company incorporated under the laws of the Marshall Islands. AHTD owns patents relating to new stevia seedling and breeding technology. One patent has been registered with the Chinese government and another one is pending.

The purchase price consists of 12,500,000 common shares of the Company. 3,750,000 common shares valued at \$3.43 per share were issued on December 27, 2007 and 4,375,000 valued at \$0.77 were issued on November 27, 2008. The balance of the 4,375,000 common shares will be issued based on the stevia seedling providing a certain amount of production in 2009. The value of the common shares issued is based on the value of the Company's common shares on the date the production targets are achieved and the Company is committed to the issuance.

The intangible assets are estimated to have a useful life of 20 years and are amortized over that period, subject to an annual impairment review.

11. SHORT TERM BANK LOANS

In 2008, the Company obtained two loans to finance its expansion. A loan of \$6,822,800 (RMB 37,000,000), which was obtained from Dongtai Rural Credit Union, bears interest of 6.66% per annum and matures on November 20, 2009. The loan is secured by the property, plant and equipment of one of the Company's subsidiaries which has a carrying value of \$41,152,052.

A loan of \$9,220,000 (RMB 50,000,000), which was obtained from Construction Bank of China, bears interest of 5.31% per annum and matures on December 25, 2009. The loan is secured by one of the Company's subsidiaries which has a carrying value of \$35,751,729.

GLG LIFE TECH CORPORATION

Notes to Consolidated Financial Statements
Three Months Ended March 31, 2009 and 2008
(Unaudited – Prepared by Management)

12. ACCOUNTS PAYABLE AND ACCRUALS

	March 31, 2009		December 31, 2008	
Raw material	\$	3,320,136	\$	2,687,714
Construction and equipment		16,737,285		12,720,270
Consulting fees		349,420		75,000
Trade payable		841,637		1,323,217
Other		860,364		361,366
	\$	22,108,842	\$	17,167,567

Consulting fees payable of \$349,420 (2008 - \$75,000) resulted from consulting services provided by the Company's management (Note 22).

13. ADVANCES FROM CUSTOMERS AND INTEREST PAYABLE

Of the \$25,540,191 advances from customers, \$25,226,000 (US\$20,000,000) was related to a supply and prepayment agreement entered by the Company in 2008 whereby the Strategic Customer financed \$25,226,000 (US\$20,000,000) for the purchase of stevia leaves for 2009 orders, which shall be further processed into the stevia extract to be shipped to the Strategic Customer. The prepayment and accrued interest will be repaid by way of the sale of stevia extracts to the Strategic Customer. Interest at LIBOR + 6% is charged per annum. The prepayment is collateralized by a general security agreement over all assets of the Company. 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 expenditure or additional leaf financing beyond the US \$20 million associated with this prepayment. The principal balance of the advance as of March 31, 2009 was \$25,226,000 (US\$20,000,000) (2008 - \$24,492,000 or US\$20,000,000) and interest accrued for the quarter was \$602,449 (US\$ 483,662) (2008 - nil).

The balance of the advances from customers, \$314,191 (RMB 1,703,853) was related to deposits received from customers for stevia products and seedlings.

14. OTHER SHORT TERM LOAN

During the period, the Company obtained \$1,106,400 (RMB 6,000,000) non-interest bearing and non-secured loan from a third party. The amount has been repaid subsequent to March 31, 2009 (Note 28).

15. DEFERRED REVENUE

In July 2008, an upfront non-refundable fee of US\$2,500,000 was received as part of a supply agreement with the Strategic Customer that requires a minimum quantity of stevia to be delivered by the Company over a one year period. This payment was deferred and is being recognized as revenue over a one year period from October 1, 2008 to September 30, 2009. The balance of the deferred revenue was \$1,330,000 as at March 31, 2009 (2008 – \$1,995,000).

GLG LIFE TECH CORPORATION

Notes to Consolidated Financial Statements
Three Months Ended March 31, 2009 and 2008
(Unaudited – Prepared by Management)

16. ECONOMIC DEPENDENCE

In 2007, the Company entered into a five year renewable supply agreement with the Strategic Customer to supply the Strategic Customer with stevia product and replaced that agreement with a 10-year strategic alliance agreement with the Strategic Customer in May 2008. The agreement outlines annual minimum purchase and supply quantities over the term of the agreement. For each of years two and three, once volume and price have been agreed, The Strategic Customer will be required to either take the committed volume or pay the agreed price.

The supply agreement with the Strategic Customer accounts for 88% of revenue for the quarter ended March 31, 2009 (2008 - 76%).

The Company also received an advance from the Strategic Customer in fiscal 2008 as described in note 13.

17. SHARE CAPITAL

a) Capital Stock

Authorized

Unlimited number of common shares with no par value

Common shares

The holders of common shares are entitled to one vote per share

	Number of Shares	Amount
Balance at December 31, 2007	65,584,060	\$ 61,052,731
Warrants exercised	5,085,839	20,235,133
Options exercised	208,067	125,527
Issuance of restricted shares	1,290,614	1,060,004
Convertible debenture converted into common shares	1,976,082	7,513,004
Shares issued for AHTD intangible (Note 10b)	4,375,000	3,368,750
Balance at December 31, 2008	78,519,662	\$ 93,355,149
Stock based compensation	-	398,454
Balance at March 31, 2009	78,519,662	\$ 93,753,603

GLG LIFE TECH CORPORATION

Notes to Consolidated Financial Statements
Three Months Ended March 31, 2009 and 2008
(Unaudited – Prepared by Management)

17. SHARE CAPITAL (continued)

b) Warrants

A summary of the Company's share purchase warrants at March 31, 2009 and the changes since December 31, 2007 is presented below:

	Number of Warrants	Amount
Balance at December 31, 2007	27,574,585	\$ 15,378,511
Warrants exercised by a customer	(5,085,839)	(2,453,160)
Warrants expired	(3,591,411)	(1,447,443)
Balance at December 31, 2008	18,897,335	\$ 11,477,908
Warrants expired	(10,912,335)	(7,018,727)
Balance at March 31, 2009	7,985,000	4,459,181

The following table summarizes information about the warrants outstanding at March 31, 2009:

Expiry date	Weighted average exercise prices	Number outstanding at March 31, 2009
June 11, 2009	4.35	6,785,000
June 22, 2009	3.18	1,200,000
	4.17	7,985,000

18. STOCK OPTIONS AND RESTRICTED SHARES

The Company is subject to the policies of the Toronto Stock Exchange ("TSX"), under which it is authorized to grant options to officers, directors, employees and consultants enabling them to purchase common stock of the Company. The Company has one stock option and restricted shares plan ("Plan") which was amended and effective as of May 16, 2008. The Plan is administered by the Board of Directors, which determines individual eligibility under the Plan.

Stock options

Under the Plan, options granted are non-assignable and the number of common shares available for issue is a maximum of 10% of the issued and outstanding common shares of the Company inclusive of any restricted shares granted under the Plan. The maximum term of an option is 5 years after the date of grant.

The fair value of the options granted in 2008 has been estimated as of the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

GLG LIFE TECH CORPORATION

Notes to Consolidated Financial Statements
Three Months Ended March 31, 2009 and 2008
(Unaudited – Prepared by Management)

18. STOCK OPTIONS AND RESTRICTED SHARES (continued)

Risk - free interest rate:	3%
Dividend yield:	0%
Volatility:	141%
Expected option life	5 years
Expected forfeitures per year	5%

The following is a summary of option transactions:

	Number of Shares	Weighted Average Exercise Price Per Share
Balance, December 31, 2006	5,828,067	\$ 0.30
Options exercised	(226,667)	0.30
Options forfeited	(33,333)	0.30
Balance, December 31, 2007	5,568,067	\$ 0.30
Options granted	183,866	3.91
Options exercised	(208,067)	0.30
Balance, December 31, 2008 and March 31, 2009	5,543,866	\$ 0.42

The following table summarizes information about stock options outstanding at March 31, 2009:

Exercise Prices	Number Outstanding at March 31, 2009	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number Exercisable at March 31, 2009	Weighted Average Exercise Price
\$ 0.30	5,360,000	1.22	\$ 0.30	5,360,000	\$ 0.30
0.80	5,000	4.66	0.80	-	-
4.00	178,866	4.13	4.00	-	-
	5,543,866	1.32	\$ 0.42	5,360,000	\$ 0.30

\$102,937 has been recorded as stock-based compensation expense on the consolidated statement of operations for the quarter ended March 31, 2009 (2008 – nil).

Restricted shares

Under the Plan, restricted shares granted are non-assignable and the number of common shares available for issue is a maximum of 10% of the issued and outstanding common shares in the Company inclusive of any stock options granted under the Plan. Holders of restricted shares are entitled to voting rights and dividends. The maximum vesting period for restricted shares is 5 years from the date of grant. Restricted shares issued to certain employees have certain performance criteria, which are based on production and financial targets.

1,290,614 restricted shares were issued in 2008 with a fair value of \$4,778,456.

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18. STOCK OPTIONS AND RESTRICTED SHARES (continued)

The vesting periods for restricted stock are as follows:

Numbers of restricted shares	Vesting period (years)	Performance based
45,436	0.12	No
120,000	1.65	Yes
1,125,178	2.12	Yes
1,290,614	2.01	

\$398,454 has been recorded as stock-based compensation expense on the consolidated statements of operations for the quarter ended March 31, 2009 (2008 – nil) based on achieving certain performance conditions.

19. RESERVE FOR EMPLOYEE BENEFITS

The laws in China require all wholly owned foreign entities to set aside 10% of retained earnings as a general reserve fund for employee benefits until such a fund has reached 50% of the Company's registered capital. The amount of the Company's reserve is \$388,345 for the quarter ended March 31, 2009 (2008 - \$298,438).

20. CHANGES IN NON-CASH WORKING CAPITAL

	March 31, 2009	December 31, 2008
Accounts receivable	\$ 1,469,017	\$ 797,408
Interest receivable	3,651	(187,960)
Loan receivable	-	(34,253)
Taxes recoverable	(2,550,509)	(165,248)
Inventory	738,309	(602,728)
Prepaid expenses	(212,981)	(611,850)
Deferred charges	4,798	-
Accounts payable and accruals	(459,809)	598,257
Interest payable	-	(186,417)
Deferred revenue	(665,000)	-
	\$ (1,672,524)	\$ (392,791)

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21. SEGMENTED INFORMATION

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.

March 31, 2009	Canada	China	Total
Property, Plant, and Equipment \$	834 \$	95,579,426 \$	95,580,260
Revenue	716,060	2,284,864	3,000,924

March 31, 2008	Canada	China	Total
Property, Plant, and Equipment \$	- \$	17,242,287 \$	17,242,287
Revenue	-	840,834	840,834

22. RELATED PARTY TRANSACTIONS

During the year, the Company entered into the following transactions with related parties:

- Pursuant to consulting agreements between the Company and officers of the Company, consulting fees of \$297,147 were expensed for the quarter ended March 31, 2009 (2008 - \$111,106) of which \$175,924 remained as an accounts payable as at March 31, 2009 (2008 - \$111,000).
- Pursuant to a management services agreement, the Company recorded management expenses of \$92,028 (2008 – \$91,369) to a company controlled by senior executives for management services provided to the Company.
- The Company entered into a 5-year facility rental agreement expiring on December 31, 2011 with a company that two officers have ownership interest in. The Company recorded rental expense of \$22,775 (RMB 125,000) (2008 – \$28,731 or RMB 202,766). The commitment for the remaining three years is \$253,550 (RMB 1,375,000). As at March 31, 2009, \$115,250 (RMB 625,000) (2008 - \$76,800 or RMB 500,000) remained as an account payable.

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

23. FINANCIAL INSTRUMENTS

- Categories of financial assets and liabilities

Financial instruments are classified into one of the following five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets, and other financial liabilities. The carrying value of the Company's financial instruments is classified into the following categories:

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23. FINANCIAL INSTRUMENTS (continued)

	March 31, 2009	December 31, 2008
Held-for-trading	\$ 9,101,620	\$ 7,829,166
Loans and receivables	1,316,413	2,717,765
Other financial liabilities	66,464,411	52,954,796

The carrying value of the financial assets, less provision for impairment if applicable, approximates the fair value because of the short-term nature of these instruments.

Interest income, other gains and losses from “held-for-trading,” “loans and receivables” and “other financial liabilities” are recognized in other income (expense).

The following table summarizes interest income and expense under the effective interest method:

	March 31, 2009	March 31, 2008
Interest income from held-for-trading	\$ 16,063	\$ 312,536
Interest expense from other financial liabilities	(260,325)	(664,876)

b) Credit risk

Credit risk is the risk of loss associated with the counterparty’s inability to fulfill its payment obligations. The Company’s primary credit risk is on its cash and cash equivalents, restricted cash and accounts receivable.

The Company limits its exposure to credit risk by placing its cash and cash equivalents and restricted cash with various financial institutions. Given the current economic environment, the Company monitors the credit quality of the financial institutions it deals with on an ongoing basis.

Credit risk with respect to accounts receivable is concentrated as one customer accounted for 76% of total trade accounts receivable (2008 – 71%). The following table provides information regarding the aging of financial assets that are past due but which are not impaired.

	0-30 days	31-90 days	over 90 days	Total
Dollar Amount	\$1,251,792	\$81	\$64,540	\$1,316,413
% of total accounts receivable	95%	0%	5%	100%

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23. FINANCIAL INSTRUMENTS

(continued)

The Company has a high concentration of credit risk as the accounts receivable was owed by fewer than ten customers. However, the Company believes that it does not require collateral to support the carrying value of these financial instruments. The carrying amount of financial assets represents the maximum credit exposure. The Company reviews financial assets, including past due accounts, on an ongoing basis with the objective of identifying potential events or circumstances which could delay or prevent the collection of funds on a timely basis. Based on historic default rates, the Company believes that there are minimal requirements for an allowance for doubtful accounts against its accounts receivable. To mitigate credit risk the Company also requests deposits from customers in certain circumstances.

c) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of a change in foreign exchange rates. The Company conducts its business primarily in U.S. dollars, RMB, Canadian dollars and Hong Kong dollars. The Company is exposed to currency risk as the functional currency of its subsidiaries is other than Canadian dollars.

The majority of the Company's assets are held in subsidiaries whose functional currency is the 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.

All of the Company's operations are considered self-sustaining operations. The assets and liabilities of the self-sustaining operations are translated at exchange rates prevailing at the balance sheet date. Unrealized gains and losses resulting from translating self-sustaining operations are accumulated and reported as a currency translation adjustment in accumulated other comprehensive income. As of March 31, 2009, assuming that all other variables remain constant, an increase of 1% in the Canadian dollar would have an effect on other comprehensive income of approximately \$71,185 (2008 – 42,887).

The Company's Canadian operations are primarily exposed to exchange rate changes between the U.S. dollar and the Canadian dollar. The Company's primary U.S. dollar exposure in Canada relates to the revaluation into Canadian dollars of its U.S. dollar denominated working capital and customer advances. As of March 31, 2009, assuming that all other variables remain constant, an increase of 1% in the Canadian dollar would have an effect on net loss of approximately \$253,374 (2008 – 60,697).

Of the \$9,101,620 cash and cash equivalents, short term investments, and restricted cash as of March 31, 2009, \$1,646,037 is denominated in US Dollars (USD\$1,305,031), \$443,740 is denominated in Canadian Dollars, \$1,055 in Hong Kong Dollars (HKD\$6,679) and \$7,010,788 is denominated in Chinese Yuan (RMB 38,019,463).

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23. FINANCIAL INSTRUMENTS

(continued)

Of the \$7,829,166 cash and cash equivalents, short term investments and restricted cash as of December 31, 2008, \$507,892 is denominated in US Dollars (USD\$414,283), \$780,130 is denominated in Canadian Dollars, \$1,055 in Hong Kong Dollars (HKD\$6,679) and \$6,540,089 is denominated in Chinese Yuan (RMB 36,435,035).

d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. All financial liabilities as at March 31, 2009 have contractual maturities of less than 12 months. It is the Company's intention to meet these obligations through the collection of accounts receivable, receipts from future sales, current cash and cash equivalents, short-term investments, available lines of credit in China and possible issuance of new equity or debt instruments.

On July 29, 2008 the Company arranged secured credit lines in China with Dongtai Rural Credit Union and the Agricultural Bank of China totaling \$46,100,000 (RMB 250 million). The credit lines mature on July 27, 2009 and bear interest at a rate based on the benchmark one-year lending rate with discounts applied. As at March 31, 2009, the Company has drawn \$6,822,800 (RMB 37,000,000) against these lines.

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 on terms acceptable to the Company. The Company's cash is invested in business accounts with different financial institutions is available on demand for the Company's programs, and is not invested in any asset backed commercial paper.

The following table provides due date information for the Company's significant financial liabilities:

<u>Financial Liabilities</u>	<u>0 to 12 months</u>	<u>12 to 24 months</u>	<u>After 24 months</u>
Accounts payable and accruals	\$ 22,108,842	\$ -	\$ -
Short term bank loans	16,042,800	-	-
Interest payable	1,666,178	-	-
Advance from a customer	25,540,191	-	-
Other short term loan	1,106,400	-	-
Obligation under leases	190,868	210,724	475,752
	<u>66,655,279</u>	<u>210,724</u>	<u>475,752</u>

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23. FINANCIAL INSTRUMENTS (continued)

e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk on its cash and cash equivalents, restricted cash and customer advances at March 31, 2009. The interest rates on these financial instruments fluctuate based on the bank prime rate and LIBOR.

As at March 31, 2009, with other variables unchanged, a 100-basis point change in the LIBOR rate would have a \$nil effect (2008 – \$16,300) on net loss.

24. CAPITAL DISCLOSURE

The Company's objectives when managing capital are to provide returns for shareholders, and comply with any externally imposed capital requirements while safeguarding the Company's ability to continue as a going concern. The Company considers convertible debentures and items included in shareholders' equity to be capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. In this respect, the Company monitors its debt to equity ratio.

Pursuant to Chinese regulations, the Company is required to make appropriations to reserve funds, based on after tax net income determined in accordance with generally accepted accounting principles of China (Note 19). The reserve funds are established for covering corporate obligations in the event of business liquidation. The reserve funds are recorded as part of deficit. The reserve funds are available for the Company to use but are not available for distribution to shareholders other than in liquidation and may limit repatriation of invested capital.

25. COMPARATIVE FIGURES

Certain prior year's figures have been reclassified to conform to the current financial statement presentation.

26. COMMITMENTS

- a) The Company has two 5-year operating leases with respect to land and production equipment at the Qingdao factory in China. The leases expire in 2011, and the annual minimum lease payments are approximately \$184,400 (RMB 1,000,000).
- b) The Company entered into a 30-year agreement with the Dongtai City Municipal Government, located in the Jiangsu Province of China, for approximately 50 acres of land for its seed base operation. Rent of approximately \$145,676 (RMB 790,000) is paid every 10 years.
- c) The Company entered into an office lease with one year term commencing on May 1, 2009. Commitments for 2009 and 2010 on the new lease are \$52,648 and \$26,324, respectively.

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26. COMMITMENTS (continued)

The minimum operating lease payments related to the above are summarized as follow:

2009	\$	190,868
2010		210,724
2011		184,400
2012		-
2013		-
Thereafter		291,352
Total	\$	877,344

- d) The Company is committed to deliver US\$ 25,200,000 of stevia extract of which the US\$ 20,000,000 advance from a Strategic Customer (Note 13) will be applied against. The delivery period is contracted over the period from October 1, 2008 to September 30, 2009.
- e) In August 2007, the Company signed a 10-year agreement with the government of Mingguang City in the Anhui Province of China, which gave the Company exclusive rights to build and operate a stevia processing factory as well as exclusive right to purchase high quality stevia leaf grown in that region. The agreement requires the Company to make a total investment in the Mingguang City of US\$ 30 million over the course of the 10-year agreement to retain its exclusive rights. As of March 31, 2009, the Company has invested approximately US\$ 28 million.
- f) In April 2008, the Company signed a 20-year agreement with the government of Juancheng County in the Shandong Province of China, which gave the Company exclusive rights to build and operate a stevia processing factory as well as the exclusive right to purchase high quality stevia leaf grown in that region. The agreement requires the Company to make a total investment in the Juancheng region of US\$ 60 million over the course of the 20-year agreement to retain its exclusive rights. As of March 31, 2009, the Company has not made any investment in the region.

27. CONTINGENT LIABILITY

On May 27, 2008, Northern Securities (“Northern”) filed a claim with the B.C. Supreme Court over additional consideration claimed owed by the Company with respect to the Sponsorship Agreement dated January 24, 2007. The Company has filed its defense and has also filed a counter claim against Northern. There is no certainty over the outcome of this lawsuit. A court date has been set in March 2010. The Company is confident in its position that additional amounts are not due; however, should the issue be resolved in Northern's favour, the Company would be required to pay \$38,664 in cash and to issue 250,000 additional shares to Northern. As part of the December 2007 private placement, the Company paid initial sponsorship fees of \$10,000 and issued 250,000 shares at a fair value \$1.20 per share.

28. SUBSEQUENT EVENT

The Company fully repaid the other short term loan of \$1,106,400 (RMB 6,000,000) in April 2009 (Note 14).