GLG Life Tech Corporation Management Discussion & Analysis

March 31

2009

[Dated: May 15, 2009]

Contents

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") of GLG Life Tech Corporation is dated as of May 15, 2009, which is the date of filing of this document. It provides a review of the three months ended March 31, 2009 relative to the comparable period of 2008. The three-month period represents the first quarter of our 2009 fiscal year.

This MD&A relates to the consolidated financial condition and results of operations of GLG Life Tech Corporation ("GLG" or the "Company") 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 the consolidated annual financial statements of GLG for the year ended December 31, 2008, 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 interim 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 interim 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 period ended March 31, 2009.

Forward-Looking Statements

Certain statements in this Management's Discussion and Analysis ("MD&A) constitute "forward-looking statements". Such forward-looking statements include, without limitation, statements evaluating the market, potential demand for stevia and general economic conditions and discussing future-oriented costs and expenditures. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases or words and phrases that state or indicate that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. While we have based these forward-looking statements on our current expectations about future events, the statements are not guarantees of our future performance and are subject to risks, uncertainties, assumptions and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Such factors include amongst others the effects of general economic conditions, changing foreign exchange rates and actions by government authorities, uncertainties associated with legal proceedings and negotiations, industry supply levels, competitive pricing pressures and misjudgements in the course of preparing forward-looking statements. Specific reference is made to the risks described herein under the heading "Risks Related to our Business" and "Risks 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 and those additional risks set forth under the heading "Risk Factors" in our Annual Information Form for the financial year ended December 31, 2008. In light of these factors, the forward-looking events discussed in this MD&A might not occur. Further, although the Company has attempted to identify factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. As there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements, readers should not place undue reliance on forward-looking statements. Financial outlook information contained in this MD&A about prospective results of operations, capital expenditures or financial position is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information as of the date hereof. Such financial outlook information should not be used for purposes other than those for which it is disclosed herein.

Overview

GLG is a world leader in the production of high quality stevia extract. Our vertically integrated strategy includes stevia seed development, growth and refining operations as well as final manufacturing of formulated 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 further processed by GLG for the commercial sale of the resulting industrial powder to the food and beverages Industry. Cargill Incorporated ("Cargill") announced in May 2007 it will be producing the world's first commercial scale natural, zero-calorie high intensity sweetener, 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 is one of the largest low cost/high quality producers of high grade stevia extract in the world today. By vertically integrating our operations, high quality stevia is produced through each step of the growing and production process including the development of seeds, growth of seedlings, planting, leaf harvesting, extraction and refining.

GLG has its primary extract manufacturing capabilities and agricultural assets located throughout China. GLG entered into 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 been upgraded to 1000 MT annual capacity of high grade stevia extract. The Company believes demand for stevia could increase significantly over the coming years and has invested in the capacity needed for this projected growth. GLG has also established three other subsidiaries in China. Anhui Bengbu HN Stevia High Tech Development Company Limited ("Bengbu") was established in November 2007 as a seed base and for R&D operations for GLG in China. The seed base that was acquired from Agricultural High Tech Developments, Ltd. ("AHTD") in December 2007 is part of the Bengbu subsidiary. Dongtai Runyang Stevia High Tech Company Limited ("Runyang") – Runyang was established in November 2007 for the purpose of processing stevia leaf grown and harvested in the Dongtai region of China into stevia extract. Its initial facilities were constructed during 2008 and their initial operations were announced in January 2009. Runyang is able to process 18,000 MT per year of stevia leaf at its processing facility pursuant to the investment agreement with the Dongtai People's Government announced in August 2007. Chuzhou Runhai Stevia High Tech Company Limited ("Runhai") – Runhai was established in September 2007 and for the purpose of processing stevia leaf grown and harvested in the Mingguang region of China into stevia extract. Its initial facilities were constructed during 2008 and their initial operations were announced in January 2009. Runhai is able to process 18,000 MT per year of stevia leaf at its processing facility pursuant to the investment agreement with the Mingguang People`s Government announced in August 2007.

GLG Weider Sweet Naturals Corporation ("GLG-Weider") – GLG-Weider was established in September 2008 and is focused on the sales and distribution of high grade stevia extract to the global food and beverage industry. GLG owns 55% of GLG-Weider and Weider Global Nutrition II LLC owns the remaining 45%. GLG-Weider was incorporated under the laws of the Province of British Columbia.

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 lower 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 hundreds of years.

2009 First Quarter Corporate Developments

New Stevia Leaf Processing Facilities announced in January 2009

On January 6, 2009, the Company announced that it had commenced initial operations at its two new stevia processing facilities in the cities of Mingguang (Anhui Province) and Dongtai (Jiangsu Province), China where the Company's major stevia leaf growing areas are located. The facilities each have a capacity of 18,000 MT of throughput per year and increase the Company's total raw leaf processing capacity from an existing 5,000 MT to 41,000 metric tons, an increase of 720%. Production at these two new facilities ramped up over the first quarter as they completed extensive food safety audits which were all completed by mid-March 2009.

Subsequent to completion of the food safety audits, the processing of intermediate grade stevia extract (RA 60) has progressed and the performance of the new facilities and new technologies have exceeded Management's expectations with respect the decreased cycle time to produce stevia extract and the reduction in water required by the extract processing. Extract production is now benefiting significantly from the new stevia leaf processing facilities. Stevia leaf processing has increased 200% as of May 2009 from the end of 2008 and the new facilities are only operating at around 36% capacity. The addition of increased high grade stevia capacity will allow the new leaf processing facilities to run at higher capacity. The plan to increase high grade stevia capacity was announced by the Company on January 14, 2009. The first phase of the new high grade stevia capacity is expected to be complete by year-end 2009 which facilitate increased throughput of high grade stevia extract and rebiana products.

Subsequent to the quarter, GLG's production of high grade stevia has quadrupled from an average of 10 metric tons per month in 2008 to 40 metric tons per month as a direct result of the two new leaf processing facilities completing their food safety audits and ramping up their production. The increased production will be reflected in the second, third and fourth quarters in 2009.

Venture Established with Weider Global Nutrition

GLG Weider Sweet Naturals Corp (SN) has been marketing high grade stevia extract and rebiana products globally since its inception September 2008. Through its direct sales force, Sweet Naturals has an active prospect base of several hundred small, medium and large food and beverage companies. SN is in discussion with prospects at various stages of the sales process, for the sale of high grade stevia (RA and STV), rebiana (RA 97), co-products, and granulated and formulated bulk tabletop sweetener material.

Stevia, and especially rebiana as a sweetener, is gathering considerable momentum and generating significant interest in the global food and beverage market. SN has seen increasing numbers of general inquires and product requests not only in the US, but also across Asia and South America where the sweetener is also approved for use as a food ingredient. SN is currently actively marketing and selling in the following countries:

1. United States
2. China
3. Japan
4. Korea
5. Australia
6. New Zealand
7. The Philippines
8. South America (Brazil, Chile, Paraguay)
9. Turkey
10. Thailand
11. Vietnam
12. Indonesia
13. Russia
14. Algeria
15. Mexico
16. Canada

SN's sales cycle follow a typical sales process beginning with initial contact with prospective customers, followed by a request and fulfillment of a sample order of SN's products. The prospective companies will then test SN's sample with a particular food or beverage application testing various recipes and formulations in both existing and new products. This testing phase of the process typically takes from six to eighteen months to complete depending on the prospective customer's experience in working with stevia as a sweetener. As a result of the length of the sales, marketing and product development process, SN expects to see product launches from their customer base starting the third quarter of 2009 with larger purchase orders to follow.

SN has added a number of customers in the first quarter of 2009 and expects to contract with a growing number of its prospective customers over the next several quarters. SN announced on May 12, 2009 its supply contract with Zevia LLC in the United States. Zevia has been recognized by SPINS, a division of AC Nielson for retail performance, as the #1 selling diet soda in the all natural food category as well as the #3 best selling product over all carbonated beverages in natural foods. Zevia has achieved national distribution in the United States including through major retailers such as Whole Foods. SN is also currently in discussion with a number of large Multinational companies for the sale of its high grade stevia products including rebiana. These discussions are expected to be concluded in the second to fourth quarter of 2009.

2009 Stevia leaf crop in China

For the leaf crop for 2009, GLG has been active working with the local Chinese governments in its three exclusive growing areas during the first quarter of 2009. Key activities included preparation of proprietary seedlings for the 2009 crop and the recruitment of farmers in cooperation with local governments to grow stevia using GLG's exclusive proprietary seedlings.

As GLG's gross profit margin is significantly influenced by the quality of the stevia leaf crop harvested in any given year, GLG's strategy to improve gross margin is (1) increase the amount of proprietary GLG high Rebaudioside A seedlings into each year's crop and (2) follow quality standards for crop purchase to minimize the amount of moisture and foreign material in the leaf purchased. GLG is on target to double the amount leaf grown in its exclusive growing areas in 2009.

Subsequent Events

On May 5, 2009, GLG announced that it has received an initial order from Cargill valued at $US 40.5 million for the delivery of high grade stevia extract beginning October 2009. Further, GLG has agreed to make additional product available to Cargill during the next 18 months for a possible increase in the order size.

Results

The following results should be read in conjunction with the interim statements for the period ending March 31, 2009 and the consolidated financial statements of GLG for the years ended December 31, 2008 and 2007.

In thousands Canadian $, except per share amounts	First quarter 2009	First quarter 2008	% Change
Revenue	$3,001	$841	257%
Cost of Sales	$1,582	$573	176%
% of Revenue	53%	68%	(15%)
Gross Profit	$1,419	$268	430%
% of Revenue	47%	32%	15%
General and Administration Expenses	$2,750	$849	224%
% of Revenue	92%	101%	(9%)
Income (loss) from Operations	($1,331)	($581)	(129%)
% of Revenue	(44%)	(69%)	25%
Other Income (Expenses)	($935)	($352)	166%
% of Revenue	(31%)	(42%)	11%
Net (Loss) before Income Taxes and Non-Controlling Interests	($2,267)	($934)	143%
% of Revenue	(76%)	(111%)	36%
Net (Loss) Income after Income Taxes and Non-Controlling Interests	($1,500)	($934)	(61%)
Net (Loss) Income per share (Basic)	($0.02)	($0.01)	(39%)
Net (Loss) Income per share (Diluted)	($0.02)	($0.01)	(39%)
Total Comprehensive Income (loss)	$1,367	$1,458	(6%)
% of Revenue	46%	173%	(128%)
EBITDA (1)	$270	($350)	177%
% of Revenue	9%	(42%)	51%

(1) EBITDA is defined in the section Non-GAAP Financial Measures along with the details of the calculation.

Results from Operations

The following results from operations should be read in conjunction with the consolidated financial statements of GLG for the quarter ending March 31, 2009, and its annual consolidated financial statements for previous years. Certain prior year's figures have been reclassified to conform to the current financial statement presentation.

Revenues

Revenues for the quarter ending March 31, 2009 were $3 million, an increase of 257% over $0.8 million in revenue for the first quarter in 2008. The increase in stevia revenues quarter over quarter was driven by higher demand for the Company's high grade stevia extract products, and increased shipments of higher value stevia extract than in the comparable period. GLG's operations in China were impacted by the Chinese New Year celebrations during the first quarter of 2009 and it had closed down its operations for approximately two weeks.

Accounts receivable decreased from $2.7 million as at December 31, 2008 to $1.3 million as of March 31, 2009.

Inventory increased to $36.4 million as at March 31, 2009 from $33.1 million as at December 31, 2008. The key drivers for the increased inventory levels were; (a) the increase in work in progress inventories to meet customer order commitments for 2009 (b) the increase in finished product inventories driven by new leaf processing facilities coming on-line in the first quarter and (c) by-product inventories available for sale or further processing into final products. The value of finished goods inventories on hand at the end of the period rose from $1.2 million as of year-end 2008 to $2.2 million at the end of the first quarter.

Cost of Sales

Cost of Sales was $1.6 million for the first quarter of 2009 in comparison to $0.6 million for the first quarter of 2008 or a 176% increase quarter over quarter. The increase in cost of sales for the first quarter can be directly attributed to the higher production and sales volume of stevia business in the first quarter 2009 relative to the first quarter of 2008.

The key components of stevia cost of sales in 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.

b. The price per kilogram for which the extract is sold.

c. The sale of by-products (also known as co-products). Sales of co-products have historically increased the overall gross profit of the stevia business. The GLG Weider venture will be focused on also selling other GLG product lines during 2009 including co-products extract (mixture of steviol glycosides) and highly pure STV extract.

d. Other factors which also impact stevia cost of sales to a lesser degree include:

- plant capacity utilization*
- salaries and wages of manufacturing labour
- manufacturing overhead used in the production of stevia extract, including supplies, power and water
- depreciation on stevia extract processing plant
- interest on leaf purchases
- net VAT paid on export sales

* note depreciation will play a more important factor in the 2009 fiscal period as GLG has increased its capacity significantly at the start of the year and is not expected to reach a high capacity utilization for most of 2009.

Gross Profit

Gross profit for the period ending March 31, 2009 was $1.4 million, an increase of 430% over $0.3 million in gross profit for the comparable period in 2008. The increase in gross profit was driven by increased sales in the first quarter of 2009 as compared to the first quarter of 2008. The gross profit margin on sales for the first quarter 2009 was 47% compared to 32% gross profit margin achieved on sales in the first quarter of 2008. Gross profit margin for the first quarter was positively influenced by the recognition of deferred revenue relating to a 2009 customer order for the period. Gross profit margin for the quarter would have been 32% without the impact of the deferred revenue on first quarter sales and gross profit.

General and Administration Expenses

In thousands Canadian $	First quarter 2009	First quarter 2008	% Change
General and Administration Expenses	$2,750	$849	224%
% of Revenue	92%	101%	(9%)

General and administration ("G&A") expenses include sales, general and administration costs ("SG&A"), stock based compensation and depreciation and amortization expenses on G&A fixed assets. A breakdown of G&A expenses into these three components is presented below:

In thousands Canadian $	First quarter 2009	First quarter 2008	% Change
SG&A	$1,980	$674	194%
Stock based compensation	$501	$-	100%
G&A Amortization and Depreciation	$269	$175	54%
Expenses	$2,750	$849	224%
% of Revenue	92%	101%	(9%)

Each of these expense categories is discussed in further detail in the next three sections.

Sales, General, & Administration (SG&A) Expenses

In thousands Canadian $	First quarter 2009	First quarter 2008	% Change
SG&A Expenses	$1,980	$674	194%
% of Revenue	66%	80%	(14%)

SG&A expenses for the three months ended March 31, 2009 were $2 million, an increase of $1.3 million or 194% over the same period for 2008 ($0.7 million). The key expense categories that increased were salaries, consulting fees, office, advertising and promotion and business taxes and licenses accounted for 84% of the increase of first quarter for 2009 compared to the first quarter 2008. SG&A expenses for the first quarter 2009 compared to the fourth quarter 2008 were 2% higher. GLG's employee count at the end of the first quarter of 2009 was 977, a 21% increase of 169 people over year-end 2008 (808). The majority of the headcount are based in China and work in production. GLG had an extensive recruiting and training program to hire these employees in advance of the new facilities at Mingguang and Dongtai coming in operation. These two new facilities came into operation during the months of February and March 2009 after they successfully completed food safety audits. As a result, a portion of the salary costs in the first quarter associated with the production employees is reflected in the SG&A expenses rather than production costs or inventory. A portion of these salary costs will be reflected in cost of sales or inventory after the first quarter of 2009. Approximately 30% or $0.3 million of the salaries, office and rental expenses during the first quarter of 2009 were either one-time in nature, pre-production expense related or salary related costs of production staff at the new subsidiaries (Total of these three SG&A categories was $1.0 million). There were some additional start-up related expenses in China in the office, rental and business tax and licenses associated with the initial set-up of the new facilities in China.

Stock Based Compensation Expense

In thousands Canadian $	First quarter 2009	First quarter 2008 Restated	% Change
Stock based Compensation	$501	$-	100%
% of Revenue	17%	0%	17%

Stock based compensation was $0.5 million for the first quarter of 2009 compared with zero in the first quarter of 2008. GLG had an amended stock compensation plan approved by its shareholders at its annual general meeting in June 2008. Under the amended plan, the number of common shares available for issue is 10% of the issued and outstanding common shares. Prior to 2008, the Company did not grant stock options since 2005. Grants made during 2008 were 1,474,480 compensation securities including both options and restricted shares. 84% of these grants have three year vesting and performance criteria requirements to be fully earned by the recipients. The first quarter 2009 stock compensation expenses were associated with the grants from 2008.

G&A Depreciation and Amortization

In thousands Canadian $	First quarter 2009	First quarter 2008	% Change
Depreciation & Amortization	$269	$175	54%
% of Revenue	9%	21%	(12%)

G&A related depreciation and amortization expenses for the three months ended March 31, 2009 was $0.3 million, an increase of 54% over $0.2 million for the comparable period in 2008. The main driver for the increase in amortization is related to the increase in intangible patent amortization related to the acquisition of Agricultural High Tech Developments Limited in 2007.

Other Income (Expenses)

In thousands Canadian $	First quarter 2009	First quarter 2008	% Change
Other Income (Expenses)	($935)	($352)	166%
% of Revenue	(31%)	(42%)	11%

Other expense for the three months ended March 31, 2009 was $0.9 million, an increase of 166% over $0.4 million for the comparable period in 2008. There were two items that contributed 100% to the other expense for the first quarter of 2009; (1) unrealized foreign exchanges losses on $US denominated liabilities that GLG was holding at quarter-end ($0.7 million) and (2) interest on short-term bank loans ($0.2 million). With respect to the US dollar denominated liability, GLG has managed the foreign exchange risk by matching a customer order denominated in US$.

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 in the Accumulated Other Comprehensive income ("AOCI") on the Balance Sheet. The RMB rate used to translate RMB denominated balance sheet accounts on December 31, 2008 was 7.39 RMB per Canadian dollar. As of March 31, 2009, the exchange for RMB per Canadian dollar was 5.4230, or an appreciation of 2.7% from the exchange rate on December 31, 2008. The balance of the AOCI was $23.6 million on March 31, 2009 compared to balance of $20,7 million as at December 31, 2008.

The exchange rate fluctuations of the US dollar and the Canadian dollar had a significant impact on unrealized foreign exchanges losses reflected on the first quarter income statement in 2009. The table below shows the change in the Canadian dollar relative to the US dollar from year-end 2008 to March 31, 2009. During the first quarter of 2009 the Canadian dollar declined 3% relative to the US dollar. During the first quarter GLG recognized $0.7 million of unrealized foreign currency losses attributed to the decline in the Canadian dollar relative to the US dollar.

Impacts of the appreciation of the Chinese Yuan against the Canadian dollar are shown separately under the AOCI on the Balance Sheet. The following table presents the exchange rate movement for the Canadian dollar relative to the US dollar and RMB as shown below. The Canadian dollar depreciated against the US dollar by 3% from year-end 2008 to the end of the first quarter 2009. The appreciation of the US dollar relative to the Canadian dollar had an impact on the first quarter revenues results as the majority of GLG's revenues for the period were based on US dollar contracts.

Exchange rates Noon rate (as compared to the Canadian $)	2006 Dec 31	2007 Dec 31	2008 Dec 31	2009 Mar 31
U.S. Dollars	0.8581	1.0120	0.8166	0.7928
Chinese Yuan	6.6845	7.3910	5.5710	5.4230

The following table presents the exchange rate movement for RMB relative to the US dollar as shown below. The US dollar appreciated by 0.3% against the Renminbi during the first quarter of 2009.

Exchange rates	2006 Dec 31	2007 Dec 31	2008 Dec 31	2009 Mar 31
Chinese Yuan	7.8175	7.3141	6.8223	6.8456

Net Loss

The net loss for the three months ending March 31, 2009 was ($1.5) million, in comparison with a net loss of ($0.9) million for the comparable period in 2008. The basic loss per share was $0.02 for the three months ending March 31, 2009 compared with a loss per share of $0.01 for the comparable period in 2008. Earnings were impacted by larger expenses driven by five categories, (1) start-up expenses in China associated with the two new greenfield production facilities (2) expenses related to the development of the new venture, “GLG-Weider Sweet Naturals” in advance of material revenues commencing, (3) full operations of its new leaf processing facilities occurring in March 2009 (4) Stock based compensation, and (5) unrealized foreign exchange losses driven by decline in Canadian dollar relative to US dollar in the first quarter.

Comprehensive Income

In thousands Canadian $	First quarter 2009	First quarter 2008	% Change
Net Income (loss)	($1,500)	($934)	(61%)
Other Comprehensive Income	$2,867	$2,392	19%
Total Comprehensive Income	$1,367	$1,458	(6%)

The Company recorded total comprehensive income of $1.4 million for the first quarter of 2009, comprising $1.5 million of net loss and $2.9 million 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 against the Canadian dollar during the first quarter. This gain is held in accumulated other comprehensive income until it is realized, at which time it is included in operation.

NON-GAAP Financial Measures

Earnings Before Interest Taxes and Depreciation (“EBITDA”)

EBITDA for the quarter ended March 31, 2009 was $0.3 million, an increase of 177% over negative ($0.4) million in EBITDA for the comparable period in 2008. The main drivers for the increase in EBITDA for the three months ended March 31, 2009 compared to 2008 is attributable to (1) higher stevia revenue and gross profit for the first quarter 2009 as compared to the first quarter of 2008.

The following table provides reconciliation to Canadian GAAP Net Income.

In thousands Canadian	First Quarter 2009	First Quarter 2008

Net income (loss) before taxes and after minority interest	($2,224)	($934)
Add:		
Depreciation and amortization	$1,058	$231
Net interest expense (income)	$244	$352
Foreign exchange losses	$691	-
Non-cash share compensation expense	$501	-
EBITDA	$270	($350)

Summary Quarterly Results

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

In thousands Canadian dollars, except per share amounts	2009 Q1	2008 Q4	2008 Q3	2008 Q2	2008 Q1	2007 Q4	2007 Q3	2007 Q2
Revenue	$3,001	$4,657	$3,302	$1,092	$841	$3,727	$2,258	$1,297
Gross Profit	$1,419	$939	$832	$293	$268	$896	$823	$472
Gross Profit %	47%	20%	25%	27%	32%	24%	36%	36%
Net Income (Loss) Income	($1,500)	($7,115)	(952)	($1,606)	($934)	$456	($468)	$96
Basic (Loss) Per Share	($0.02)	($0.10)	($0.01)	($0.02)	($0.01)	$0.01	($0.01)	$0.00
Diluted (Loss) Per Share	($0.02)	($0.10)	($0.01)	($0.02)	($0.01)	$0.00	($0.01)	$0.00
EBITDA (1)	$270	($77)	($123)	($481)	($350)	$451	$431	$225

1. EBITDA is defined in the section Non-GAAP Financial Measures along with the details of the calculation.

Note: 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 and as a result this section also provides the segmented information results.

Quarterly Net (Loss) Income

Net loss for the first quarter 2009 was $1.5 million, versus a loss of $7.1 million in the fourth quarter of 2008 or a $5.6 million decrease in loss. The decreased loss was driven by an improvement in gross profit margin in the first quarter of 2009 by $0.5 million, decreased stock based compensation expenses of $0.7 million, decreased unrealized foreign currency losses of $2.1 million, and decreased provisions on loans of $3.1 million and were offset by a decrease in income tax recoveries of $0.7 million.

The net losses for the first through fourth quarters in 2008 were driven by the Company's strategy to expand the scale of its stevia business in 2008 to meet increased customer demand and industry growth. The Company invested in new facilities and expanded its staff during 2008 which contributed to the majority of the losses for the quarters.

The net losses for the third and fourth quarters 2007 were driven by the restated costs of the convertible debenture.

Quarterly Basic and Diluted (Loss) Earnings per Share

The basic (loss) per share (LPS) and diluted loss per share (DLPS) were ($0.02) for the first quarter 2009 compared with ($0.10) for the fourth quarter of 2008. The fourth quarter loss per share was driven by increased by stock based compensation, unrealized foreign currency losses and a provision on amounts owed to the Company by YHT.

2009 Capital Expenditures

In thousands Canadian $	First quarter 2009 (1)	First quarter 2008	% Change
Capital expenditures	$8,446	$3,243	160%

(1) Capital expenditures equals $4.4 million from cash flow statement (Cash Flow used by investing activities) + the increase of $4.0 million accounts payable related to the purchase of plant, property and equipment (PP&E) on March 31, 2009 balance sheet related to 2009 PP&E expenditures

GLG's capital expenditures were $8.4 million for the first quarter of 2009 in comparison to $3.2 million in Q1 2008. First quarter 2009 capital expenditures were driven by the completion of the leaf processing facility builds at the Runhai (Mingguang) and Runyang (Dongtai) subsidiaries.

The following table presents the current capacity levels for GLG's facilities as of the date of the MD&A compared to year-end 2008.

Production Capacity	2009	Year end 2008
Leaf Processing	41,000	5,000
Intermediate Powder (RA 60)	4,000	500
High Grade Stevia (RA 80)	1,000	1,000
Rebiana (RA 97)	500	500

Liquidity and capital resources

In thousands Canadian dollars	March 31, 2009	December 31, 2008
Cash and cash equivalents	$8,618	$7,363
Working Capital	($13,460)	($2,562)
Total Assets	$188,282	$174,361
Total Liabilities	$69,456	$57,364
Advances from Customers	$25,540	$24,492
Loans Payable (Current Portion)	$17,149	$10,232
Total Equity	$118,698	$116,829

Cash and cash equivalents increased by $1.3 million during the first quarter of 2009. Working capital decreased by $10.9 million from the year-end 2008 position. The working capital decrease can be attributed to a net increase in short term loans for the first quarter of $6.9 million used to fund capital expenditures and a net increase in accounts payable related to capital expenditures of $4.4 million. Total liabilities include the advances from customers in the amount of $25.5 million that was used to fund the purchase of stevia leaf in 2008 required for their 2008/09 orders.

Cash used by operating activities was $1.7 million in the first quarter of 2009 compared to $0.7 million used in the first quarter of 2008. The biggest use for non-cash working capital in the quarter was driven by asset construction and inventory production that increased the refundable value added tax accounts in China.

Cash used by investing activities was $4.4 million in the first quarter of 2009, compared to $3.2 million in the same period in 2008. The majority of the cash outflow was to finance the remainder of the construction in Dongtai and Mingguang for the new stevia leaf processing plants.

Cash generated by financing activities was $7.2 million in the first quarter of 2009 compared to $11.3 million in the same period in 2008. The key item that generated the increase in cash generated by financing activities during the quarter came from a net increase in short term bank loans in China of $5.8 million.

The Company's working capital and working capital requirements fluctuate from quarter to quarter depending on, among other factors, the annual stevia harvest in China (third and fourth quarter each year), the production output along with the amount of sales conducted during the period. The value of raw material in inventory is the highest in the fourth quarter due to the fact that the Company purchases leaf during the third and fourth quarter for the entire production year which runs October through September each year. 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 capital expenditure estimate for 2009 is $17 million to $40 million (see 2009 Outlook section for further details). The Company plans to finance these investment needs with cash on hand and credit available from banks in China. GLG's established credit arrangements in China and additional credit facilities that it is currently working on in China are expected to provide funding for the low end of the 2009 capital expenditure estimate ($17-20 million). The Company also believes that it has the ability to access additional debt or equity financing that would be required to finance the higher range of the 2009 capital expenditures. However, if such debt facilities or equity financing is not available on 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.

Advances from customers and Interest Payable

In July 2008, the Company negotiated a new customer prepayment for the amount of US$20 million (CDN$25.2 million) during the third quarter of 2008 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. The Company expects to deliver product against this obligation over the period October 1, 2008 through September 30, 2009. There is a covenant that at any time during which 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 the advance as of March 31, 2009 was CDN$25.2 million (US$20 million) and the interest accrued for the period was $1.7 million. The Company invoices this customer in US dollars so it manages currency risk on this balance through matching of this liability with revenues in the same currency.

China Lines of Credit and Short Term Loans

In 2008, the Company obtained two loans to finance its expansion. A loan of $6.8 million (RMB 37 million), 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 million.

A loan of $9.2 million (RMB 50 million), 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 million.

Contractual obligations

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 $0.2 million (RMB 1 million).

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 $0.1 million (RMB 0.8 million) 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.

d) The Company is committed to deliver US$ 25.2 million of stevia extract of which the US$ 20 million advance from a Strategic Customer 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.

A summary of the Company's contractual obligations with defined payment dates is presented below.

In thousands of Canadian $	2009	2010	2011	2012	2013	Thereafter,	Total
Customer prepayment*	$25,540	-	-	-	-	-	$25,540
Operating Leases	$191	$211	$184	$-	$-	$291	$877
Total	$25,731	$211	$184	$-	$-	$291	$26,417

** 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.*

Capital Structure

Outstanding Share Data as at May 15, 2009

	Shares
Common Shares Issued May 15, 2009	78,519,662
Reserved For Issuance	
Stock Options	5,543,866
Warrants	7,985,000
Reserved for Issuance - AHTD acquisition	4,375,000
Reserved for Issuance – Other	250,000
Total Reserved for Issuance	18,153,866
Fully Diluted Shares March 31, 2009	96,673,528

China laws require all wholly owned foreign entities to set aside 10% of retained earnings as a general reserve fund for employee benefits every year until such a fund has reached 50% of the Company's registered capital. The reserve funds are established for covering corporate obligations in the event of business liquidation. The reserve funds are recorded as part of retained earnings (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. The total reserve of the Company at March 31, 2009 is $0.4 million (December 31, 2008 - $0.3 million). This reserve fund applies to all of GLG's China based subsidiaries. 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.

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements.

Transactions with Related Parties

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

a) 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).

b) 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.

c) 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.

2009 Outlook

Market and Operations 2009 Outlook

The Company expects the demand for its stevia products to be significantly stronger in 2009 compared to 2008. This expectation is driven by the new markets that opened up for stevia when it was approved as a food ingredient rather than just as a dietary supplement late in 2008. The major geographic market that has opened up for high purity Rebaudioside A stevia extract products is the US. There were several important product launches in the US at the end of 2008 and in the first quarter of 2009. GLG's alliance partner Cargill successfully launched a tabletop sweetener (TRUVIA™) in July 2008 using rebiana. The Coca-Cola Company has launched Sprite Green, Odwalla juices and Vitaminwater10 using rebiana late in the fourth quarter of 2008 and during the first quarter of 2009. PepsiCo has also launched a series of beverages sweetened with high purity Rebaudioside A. The Company expects numerous new product launches in 2009 based on the feedback received from customers and prospects. The current economic recession has the potential to impact the Company's financial results negatively if food and beverage companies delay their plans to launch new stevia based products.

GLG's key operational objectives for 2009 are:

1. Commence operation of new facilities to increase production capacity and revenues (Completed)
2. Prepare necessary GLG proprietary seedlings to meet expected demand from customers for Q4 2009 and 2010 (Completed).
3. Organize stevia growers in partnership with local governments in China to meet expected 2009 stevia demand (Completed).
4. Generate additional sales growth from the GLG Weider venture.
5. Complete a new rebiana production facility (Phase One – 1,000 Metric Tons) by year-end 2009
6. Continue R&D program for high RA yielding seeds and seedlings.

GLG's outlook for 2009 is:

	2009 Estimate	2008 Actual
Revenue	$50 to $60 million	$ 9.9 million
EBITDA	$8 to 12 million	($1.0) million
Capital Expenditures (Capex)	$17 to $40 million	$ 57.8 million

Revenue and EBITDA - 2009 Outlook

GLG's stevia operations are expected to account for 100% of revenue growth in 2009. This growth will be based on delivery against existing customer orders for 2009 as well as expected new orders for the 2009/2010 delivery period. 2009 revenue is expected to be significantly weighted towards the second half of 2009. This expectation is driven by the following:

a) The Company has approximately US$34 million under contract for delivery in 2009 as of the date of the MD&A. This would equate to CDN$40.6 million using an average exchange rate assumption of $1.19 per $US for the balance of 2009 (*Source: TD Bank Economics Report April 14, 2009*).

b) There was limited production and shipments in the first quarter due to plant commissioning activities and the customary plant shut down in February for Chinese New Year celebrations.

c) The new facilities underwent food safety audits which were completed mid-March following which the new production facilities at Dongtai and Mingguang are ramping up their production levels and commencing customer shipments.

d) New customer contracts are expected to be closed during 2009 with delivery starting in the third and fourth quarters of 2009 to meet the remaining $ 6.4 million (US$5.4 million) in revenue expected to be delivered during 2009 to meet the lower end of revenue guidance.

e) GLG expects to generate majority of 2009 projected EBITDA starting in the second quarter of 2009 based on sufficient revenue being generated to cover cash related operating expenses.

Capital Expenditures - 2009 Outlook

Capital expenditures are anticipated to the approximately $17 million to $20 million and include amounts required to complete the Mingguang and Dongtai facilities, as well as phase one of the new rebiana facility (Phase One = 1,000 metric tons rebiana capacity). The Company expects to fund these capital expenditures through its existing and new banking arrangements in China.

A further $20 million in capital expenditures may be incurred to expand the Mingguang and Dongtai processing facilities in order to add additional leaf processing capacity during 2009. These capacity upgrades would be initiated by growth in the stevia market and customer contract requirements.

Critical Accounting Estimates and Assumptions

The preparation of consolidated financial statements that conform with Canadian generally accepted accounting principles (GAAP) requires us 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. The Company calculates its estimates using detailed financial models that are based on historical experience, current trends and other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. In our judgment, the accounting policies and estimates detailed in the notes to the Interim Consolidated Financial Statements for the quarter ended March 31, 2009 do not require us to make assumptions about matters that are highly uncertain and accordingly none of the estimates is considered a “critical accounting estimate” as defined in Form 51-102F1.

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.

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.

Financial Instruments and Other Instruments

Fair Values

a) 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:

In thousands Canadian dollars	March 31 2009	December 31 2008
Held-for-trading	$ 9,102	$ 7,829
Loans and receivable	$ 1,316	$ 2,718
Other financial liabilities	$66,464	$52,955

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:

In thousands Canadian dollars	March 31 2009	March 31 2008
Interest income from held-for-trading	$ 16	$ 313
Interest income from other financial liabilities	($260)	($665)

Credit Risks

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.

In thousands Canadian dollars	0-30 days	31-90 days	over 90 days	Total
Dollar Amount	$1,252	$-	$65	$1,316
% Total accounts receivable	95%	0%	5%	100%

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.

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 $0.1 million (2008 – $0.2 million).

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 $0.3 million (2008 – $0.1 million).

Of the $9.1 million cash and cash equivalents, short term investments, and restricted cash as of March 31, 2009, $1.6 million is denominated in US Dollars (USD$1.4 million), $0.5 million is denominated in Canadian Dollars, $1,055 in Hong Kong Dollars (HKD$6,679) and $7.0 million is denominated in Chinese Yuan (RMB 38.0 million).

Of the $7.8 million cash and cash equivalents, short term investments and restricted cash as of December 31, 2008, $0.5 million is denominated in US Dollars (USD$0.4 million), $0.8 million is denominated in Canadian Dollars, $1,055 in Hong Kong Dollars (HKD$6,679) and $6.5 million is denominated in Chinese Yuan (RMB 36,4 million).

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 totalling $46.1 million (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 $6.8 million (RMB 37 million) 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:

Financial Liabilities (In thousands Canadian dollars)	0 to 12 months	12 to 24 months	After 24 months
Accounts Payable and accrued liabilities	$22,109	$ -	$ -
Bank Debt	$16,043	$ -	$ -
Interest payable	$1,666	$ -	$ -
Advance from a customer	$25,540	$ -	$ -
Obligation under leases	$191	$211	$476
Other short term loan	$1,106	$-	$-
Total	$66,655	$211	$476

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 (March 31, 2008 – $16,300) on net loss.

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.

While IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences on recognition, measurement and disclosures. We commenced our IFRS conversion project in the second quarter of 2008. The project consists of four phases: awareness raising; assessment; design; and implementation. With the assistance of an external expert advisor, we have completed the awareness-raising phase and are near completion of a high level review of the major differences between Canadian GAAP and IFRS (the assessment phase). It is expected that this work will be completed during the second quarter 2009. Subsequently, we will initiate the design phase, which will involve establishing issue-specific work teams to focus on generating options and making recommendations in identified areas. Initial training programs have been provided to relevant employees in 2008. 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.

Disclosure Controls and Internal Controls over Financial Reporting

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, 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 ended March 31, 2009 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

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. In March 2008, the Company has adopted a Corporate Disclosure Policy. A Disclosure Committee has been established to oversee the Corporate Disclosures. The Policy has been communicated to management and being implemented accordingly.

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 and has concluded, based on its evaluation, that the disclosure controls and procedures were effective.

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 internal control over financial reporting as at March 31, 2009, and has concluded, based on its evaluation, that certain controls within its ICFR were not effective for the quarter ended March 31, 2009.

The Company did not have sufficient accounting documentation, policy, procedures or segregation of duties for certain transaction cycles. Specifically, the Company does not have a significant number of staff in China that possesses an understanding of Canadian public capital market requirements and Canadian GAAP. Furthermore, effective controls over accounting for income taxes and the application of Canadian GAAP to certain complex transactions was not effective.

To address the above issues, during 2008, the Company hired additional financial staff at the head office to oversee the financial reporting and consulted with tax advisors on various tax issues. The Company continuous to determine other appropriate remediation plans, such as reviewing the organizational structure of the accounting group to strengthen its resources to reflect the Company's growth and the Company is executing its formal documented evaluation process to evaluate compliance of internal control over financial reporting for purposes of National Instrument 52-109. This evaluation process will be completed in 2009.

It should be noted that while the officers of the Company have certified the Company's Interim Filings, they do not expect that the disclosure controls and procedures or internal controls over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or implemented, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

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, hers 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.

There are a number of risk factors that could materially affect the business of GLG, which include but are not limited to the risk factors set out below. The Company has been structured to minimize these risks as best possible. More details about the following risk factors can be found 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 it doing business in China. More details about the following risk factors can be found in the Company's Annual Information Form.

- 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 (www.glglifetech.com), in its Annual Information Form available on SEDAR (www.sedar.com).