GLG LIFE TECH CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended March 31, 2014

(Unaudited – Prepared by Management)

Notice of No Auditor Review of Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements have been prepared by management and approved by the Board of Directors. The Company's independent auditors have not performed a review of these condensed interim consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") for a review of interim financial statements by an entity's auditors.

GLG LIFE TECH CORPORATION

Condensed Interim Consolidated Statement of Financial Position
As at March 31, 2014 and December 31, 2013
(Unaudited – Expressed in Canadian Dollars)

	Note		March 31, 2014		December 31, 2013
ASSETS					
Current Assets					
Cash and cash equivalents		$	3,417,585	$	5,132,909
Accounts receivable			3,401,340		1,500,312
Sale taxes recoverable			4,826,829		5,209,949
Inventory	5		17,238,702		18,638,507
Prepaid expenses			1,899,215		2,302,692
Total Current Asset			30,783,671		32,784,369
Property, Plant, and Equipment			54,474,848		54,444,418
Biological Assets	6		533,490		526,453
Deferred income tax asset			47,968		41,255
Total Assets		$	85,839,977	$	87,796,495
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Short term loans	7	$	41,291,041	$	40,663,095
Accounts payable and accruals			17,668,410		16,862,903
Interest payable			5,406,972		4,703,457
Total Current Liabilities			64,366,423		62,229,455
Long term loans	7		19,535,703		19,830,833
Convertible notes	8		3,256,693		3,179,265
Due to related parties	9		16,727,689		15,924,428
Total Liabilities			103,886,508		101,163,981
EQUITY					
Shareholders' Equity					
Common Stock	10		191,467,335		191,245,563
Contributed surplus			28,392,042		28,171,678
Accumulated other comprehensive income			10,239,279		10,389,044
Deficit			(248,150,061)		(243,178,461)
Total GLG Life Tech Corporation Shareholders' Equity			(18,051,405)		(13,372,176)
Non-controlling interests			4,874		4,690
Total Shareholders' Equity			(18,046,531)		(13,367,486)
Total Liabilities and Shareholders' Equity		$	85,839,977	$	87,796,495

Going concerns (Note 3)
Commitments (Note 16)
Contingencies (Note 17)
See Accompanying Notes to the Consolidated Financial Statements

APPROVED ON BEHALF OF THE BOARD:

"Sophia Leung " Director
"David Hall " Director

GLG LIFE TECH CORPORATION

Condensed Interim Consolidated Statements of Operations and Comprehensive (Loss)
For the Period Ended March 31, 2014 and 2013
(Unaudited – Expressed in Canadian Dollars)

	Three months ended March 31, 2014	2013
CONTINUING OPERATIONS		
REVENUE	$ 4,663,345	$ 3,242,681
COST OF SALES (note 12)	5,217,155	3,680,956
GROSS (LOSS) PROFIT	(553,810)	(438,275)
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	1,959,034	1,654,743
(LOSS) BEFORE THE UNDERNOTED	(2,512,844)	(2,093,018)
OTHER INCOME (EXPENSES)		
Interest expense	(1,903,679)	(1,834,742)
Interest income	7,618	551
Other income (expenses)	(22,390)	(1,386)
Foreign exchange gain(loss)	(540,305)	292,404
	(2,458,756)	(1,543,173)
(LOSS) BEFORE INCOME TAXES	(4,971,600)	(3,636,191)
INCOME TAX (EXPENSE) RECOVERY	-	(1,110)
NET (LOSS) FROM CONTINUING OPERATIONS	(4,971,600)	(3,637,301)
DISCONTINUED OPERATIONS		
Net gain (loss) from discontinued operations , net of tax	-	(87,069)
NET (LOSS)	(4,971,600)	(3,724,370)
OTHER COMPREHENSIVE INCOME (LOSS) THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS		
Foreign Currency Translation Adjustment	(149,581)	1,281,274
TOTAL COMPREHENSIVE (LOSS)	(5,121,181)	(2,443,096)
NET (LOSS)		
ATTRIBUTABLE TO DISCONTINUED OPERATIONS	-	(87,069)
ATTRIBUTABLE TO GLG LIFE TECH CORPORATION SHAREHOLDERS	(4,971,600)	(3,637,301)
COMPREHENSIVE (LOSS)		
ATTRIBUTABLE TO DISCONTINUED OPERATIONS	-	(25,378)
ATTRIBUTABLE TO GLG LIFE TECH CORPORATION SHAREHOLDERS	(5,121,181)	(2,417,718)
NET (LOSS) PER SHARE		
From continuing and discontinued operations		
Basic & Diluted (Note 13)	(0.15)	(0.11)
From continuing operations		
Basic & Diluted (Note 13)	(0.15)	(0.11)
From disontinued operations		
Basic & Diluted (Note 13)	-	-
Weighted Average Number of Shares Outstanding		
Basic and diluted	33,362,804	32,915,634

See Accompanying Notes to the Consolidated Financial Statements

GLG LIFE TECH CORPORATION

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
As at March 31, 2014 and December 31, 2013
(Unaudited – Expressed in Canadian Dollars)

	Number of common shares	Common shares amount	Contributed Surplus	Accumulated Other Comprehensive Income ("AOCI")	Deficit	Total Equity Attributable to GLG Life Tech Corporation Shareholders	Non-controlling Interest	Total Shareholders' Equity
Balance, December 31, 2012	32,915,634	$ 190,449,847	$ 26,857,443	$ 5,585,772	$ (216,748,234)	$ 6,144,828	$ 1,543,316	$ 7,688,144
Issuance of restricted shares	447,170	-	-	-	-	-		-
Stock-based compensation	-	795,716	1,049,668	-	-	1,845,385	-	1,845,385
Change in foreign currency translation	-	-	-	4,803,272	-	4,803,272	88,549	4,891,821
Discontinued operation	-	-	264,567	-	-	264,567	(1,627,175)	(1,362,608)
Net (loss)	-	-	-	-	(26,430,227)	(26,430,227)	-	(26,430,227)
Balance, December 31, 2013	33,362,804	$ 191,245,563	$ 28,171,678	$ 10,389,044	$ (243,178,461)	$ (13,372,176)	$ 4,690	$ (13,367,486)
Stock-based compensation	-	221,772	220,364	-	-	442,135	-	442,135
Change in foreign currency translation	-	-	-	(149,765)	-	(149,765)	184	(149,581)
Net (loss)	-	-	-	-	(4,971,600)	(4,971,600)		(4,971,600)
Balance, March 31, 2014	33,362,804	$ 191,467,335	$ 28,392,042	$ 10,239,279	$ (248,150,061)	$ (18,051,405)	$ 4,874	$ (18,046,531)

See Accompanying Notes to the Consolidated Financial Statements

GLG LIFE TECH CORPORATION

Condensed Interim Consolidated Statements of Cash Flows
For the periods ended March 31, 2014 and 2013
(Unaudited – Expressed in Canadian Dollars)

	Three months ended March 31 2014	2013
Cash Flows From Operating Activities		
Net (loss)	$ (4,971,600)	$ (3,637,301)
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock-based compensation	442,135	247,925
Depreciation of property, plant and equipment and amortization of intangible assets	790,616	730,803
Accretion expenses	77,428	-
Unrealized foreign exchange loss	59,425	60,649
Change in biological assets	14,307	(50,147)
Changes in non-cash working capital items (Note 11)	2,027,323	2,456,105
Net cash from (used in) operating activities -continued operations	(1,560,366)	(191,966)
Net cash from (used in) operating activities - discontinued operations	-	92,390
Net cash from (used in) operating activities	(1,560,366)	(99,576)
Cash Flows From Investing activities		
Purchase of property, plant and equipment	(4,860)	(1,695)
Net cash used in investing activities	(4,860)	(1,695)
Cash Flow From Financing activities		
Repayment of short term loans	(388,928)	(1,395,870)
Advance from related parties	803,261	493,306
Net cash from (used in) financing activities	414,333	(902,564)
Effect of exchange rate changes on cash and cash equivalents	(564,431)	(720,776)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,715,324)	(1,724,610)
CASH AND CASH EQUIVALENTS, beginning of period	5,132,909	3,582,437
CASH AND CASH EQUIVALENTS, end of period	$ 3,417,585	$ 1,857,827

See Accompanying Notes to the Consolidated Financial Statements
Supplemental Cash Flow Information (Note 11)

1. NATURE OF OPERATIONS

GLG Life Tech Corporation (the "Company") was incorporated under the Companies Act (British Columbia), Canada. The registered office of the Company is located at Suite 2168, 1050 West Pender Street, Vancouver, British Columbia. The Company's shares trade on the Toronto Stock Exchange ("TSX") under the symbol "GLG".

The Company is a vertically integrated producer of high-grade stevia extract. The Company's business operates primarily through the manufacturing and sales of a refined form of stevia which has operations in China and North America.

2. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements for the three months ended March 31, 2014, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting".

The notes presented in these unaudited condensed interim consolidated financial statements include only significant events and transactions occurring since the Company's last fiscal year end and they do not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards ("IFRS"). As a result, these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's 2013 annual financial statements which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements have been prepared on a historical costs basis except for biological assets, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting. These unaudited condensed interim consolidated financial statements are presented in Canadian dollars, except when otherwise indicated.

The condensed interim consolidated financial statements of the Company for the three months ended March 31, 2014 were authorized for issue by the Audit Committee on behalf of the Board of Directors on May 12, 2014.

3. GOING CONCERN

These consolidated financial statements have been prepared in accordance with IFRS applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. For the three months period ended March 31, 2014, the Company incurred a net loss of $4,971,600 (2013 - $3,724,370). As at March 31, 2014, the Company had an accumulated deficit of $248,150,061 (2013 - $243,178,461), working capital deficit of $33,582,752 (2013 - $29,445,086) and a net cash outflow from operating activities of $1,560,366 (2013 - $99,576).

3. GOING CONCERN, continued

During the year ended December 31, 2013, the Company has signed loan refinancing agreements with Agricultural Bank of China, Bank of China, Construction Bank of China and Bank of Communication. The agreements detail the repayment of all existing short term loans with the four banks. Based on the agreements, the Company is expected to repay $34,909,060 (RMB 196,339,025) during the year ended December 31, 2014, $23,091,701 (RMB 129,874,655) during the year ended December 31, 2015.

The Company continues to progress with the following measures to manage cash flow of the Company: paying down short term loans and refinancing with longer term debt, obtaining loans from its Chairman, reducing accounts payable and negotiating with creditors extended payment terms, working closely with the banks to manage their loans, and reducing operating expenditures including general and administrative expenses and production-related expenses.

These consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company is subject to the considerations and risks of operating in China. These include risks associated with the political and economic environment, foreign currency exchange and the legal system in China.

The economy of China differs significantly from the economies of the "western" industrialized nations in such respects as structure, level of development, gross national product, growth rate, capital reinvestment, resource allocation, self-sufficiency, rate of inflation and balance of payments position, among others. The Chinese economy has experienced significant growth in the past several years, but such growth has been uneven among various sectors of the economy and geographic regions. Actions by the Chinese government to control inflation have significantly restrained economic expansion in the recent past. Similar actions by the Chinese government in the future could have a significant adverse effect on economic conditions in China.

The Company's operating assets and primary sources of income and cash flows originate in China. The Chinese economy has, for many years, been a centrally planned economy, operating on the basis of annual, five-year and ten-year state plans adopted by central China governmental authorities, which set out national production and development targets. The government of China has been pursuing economic reforms since it first adopted its "open-door" policy in 1978. There is no assurance that the government of China will continue to pursue economic reforms or that there will not be any significant change in its economic or other policies, particularly in the event of any change in the political leadership of, or the political, economic or social conditions in China. There is also no assurance that the Company will not be adversely affected by any such change in governmental policies or any unfavorable change in the political, economic or social conditions, the laws or regulations, or the rate or method of taxation in China. As many of the economic reforms, which have been or are being implemented by the Chinese government, are unprecedented or experimental, they may be subject to adjustment or refinement, which may have adverse effects on the Company. Further, through state plans and other economic and fiscal measures, it remains possible for the government of China to exert significant influence on the Chinese economy.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed interim financial statements have been prepared using accounting policies consistent with those used in the preparation of the audited consolidated financial statements as at December 31, 2013. The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2013 except as noted below.

The Company adopted the following standards and amendments effective January 1, 2014.

IFRS 9, Financial instruments

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The mandatory date of adoption for this standard has not been determined. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will not have an impact on classification and measurements of financial liabilities. The Company will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

IAS 36, Impairment of assets

IAS 36 was amended to address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendment is effective to the Company as of January 1, 2014. The Company will incorporate the amendments into the procedures in the assessment of impairment of assets for the year ended December 31, 2014.

5. INVENTORY

The Company assessed the net realizable value of inventory based on the following: the cost of raw materials is comprised of the purchase price, applicable taxes and other costs incurred in bringing inventory to their present location and condition. The cost of finished goods includes cost of materials and cost of conversion. The cost of conversion includes costs directly related to the units of production, such as direct labour, and fixed and variable production overheads, based on normal operating capacity.

(Unaudited – Expressed in Canadian Dollars)

6. BIOLOGICAL ASSETS

		31-Mar-14		31-Dec-13
As at Jan 1	$	526,453	$	672,013
Expenditure incurred		-		137,608
Agricultural products		11,517		(294,605)
Gain/(loss) from changes in fair value		(15,680)		(45,646)
Foreign currency adjustments		11,200		57,083
As at March 31, 2014	$	533,490	$	526,453

The Company's biological assets include a loss of $15,680 (2013 – loss of $45,646) representing changes in the fair value of the nursery plants. As of March 31, 2014, approximately 6.6 million parent seedlings (2013 – 6.6 million) are at the nursery plants.

Biological assets are the only recurring fair value measurements. There are no non-recurring fair value measurements. There was no transfer between different levels of the fair value hierarchy.

The fair value measurements for biological assets have been categorised as Level 3 fair value based on the inputs to the valuation techniques used. The fair value of biological assets is assessed by present value of net cash flow expected to be generated by the parent seedlings. The cash flow projections include specific estimates for five years. The expected net cash flows are discounted using the risk-adjusted discount rate.

The following significant unobservable inputs are used to estimate the net cash flow:

- Estimated amount of seedlings sold: 13.1 million
- Estimated revenue from seedlings: $85,000
- Estimated amount of seeds sold: 3,000kg
- Estimated revenue from seeds: $310,000
- Estimated total expenses from seeds and seedlings: $367,000
- Weighted average cost of capital: 10.2%

The estimated fair value would increase (decrease) if:

- Estimated amount of seedlings sold was higher (lower)
- Estimated revenue from seedlings was higher (lower)
- Estimated amount of seeds sold was higher (lower)
- Estimated revenue from seeds was higher (lower)
- Estimated total expenses from seeds and seedlings was lower (higher)
- Weighted average cost of capital was lower (higher)

(Unaudited – Expressed in Canadian Dollars)

7. SHORT TERM AND LONG TERM LOANS

The Company's short term loans consisted of borrowings from a private lender and from various banks in China as follows:

Short term borrowing from a private lender:

As at December 31, 2013 (in CAD)	$	666,241
Foreign Currency Adjustment		26,143
As at March 31, 2014 (in CAD)	$	692,384

During the year ended December 31, 2013, the Company renewed the short term borrowing from a private lender. The loan principal amount as of March 31, 2014 is $692,384 and bear interest at 11.50% per annum. The short term borrowing is due on demand and does not have any attached covenants.

Bank loans as at March 31, 2014:

	Loan amount in CAD	Loan amount in RMB	Maturity Date	Interest rate per annum	Lender
	$ 533,400	3,000,000	December 31, 2015	7.71%	Agricultural Bank of China
	4,978,397	28,000,000	December 31, 2015	7.71%	Agricultural Bank of China
	1,777,999	10,000,000	December 31, 2015	7.13%	Agricultural Bank of China
	1,738,883	9,780,000	December 31, 2015	7.13%	Agricultural Bank of China
	9,228,596	51,904,391	December 31, 2015	6.48%	Agricultural Bank of China
	14,223,992	80,000,000	December 31, 2015	6.48%	Agricultural Bank of China
	14,435,621	81,190,263	December 31, 2015	11.97%	Bank of Communication
	3,450,648	19,407,477	December 31, 2014	7.22%	Bank of China
	78,681	442,523	December 31, 2014	7.22%	Bank of China
	889,000	5,000,000	July 3, 2014	7.80%	Huishang Bank
	1,244,599	7,000,000	July 5, 2014	7.20%	Huishang Bank
	5,333,997	30,000,000	December 31, 2014	9.09%	Construction Bank of China
	2,220,547	12,489,025	December 31, 2014	9.09%	Construction Bank of China
	$ 60,134,360	338,213,679			
Short-term	$ 40,598,657	228,339,025			
Long-term	$ 19,535,703	109,874,655			

(Unaudited – Expressed in Canadian Dollars)

7. SHORT TERM AND LONG TERM LOANS, continued

Short term bank loans as at December 31, 2013:

	Loan amount in CAD	Loan amount in RMB	Maturity Date	Interest rate per annum	Lender
	$ 527,102	3,000,000	December 31, 2015	7.71%	Agricultural Bank of China
	4,919,617	28,000,000	December 31, 2015	7.71%	Agricultural Bank of China
	1,757,006	10,000,000	December 31, 2015	7.13%	Agricultural Bank of China
	1,718,352	9,780,000	December 31, 2015	7.13%	Agricultural Bank of China
	9,320,916	53,049,991	December 31, 2015	6.48%	Agricultural Bank of China
	14,056,048	80,000,000	December 31, 2015	6.48%	Agricultural Bank of China
	14,440,879	82,190,263	December 31, 2015	11.97%	Bank of Communication
	3,409,905	19,407,477	December 31, 2014	7.22%	Bank of China
	104,107	592,523	December 31, 2014	7.22%	Bank of China
	878,503	5,000,000	July 3, 2014	7.80%	Huishang Bank
	1,229,904	7,000,000	July 5, 2014	7.20%	Huishang Bank
	5,271,018	30,000,000	December 31, 2014	9.09%	Construction Bank of China
	2,194,329	12,489,025	December 31, 2014	9.09%	Construction Bank of China
	$ 59,827,687	340,509,279			
Short-term	$ 39,996,854	227,642,094			
Long-term	$ 19,830,833	112,867,185			

In 2013, the Company has signed loan refinancing agreements with Agricultural Bank of China, Bank of China, Construction Bank of China and Bank of Communication. The agreements detail the repayment of all existing short term loans totaling $58,000,761 (RMB 326,213,680) with the four banks as of March 31, 2014. The Company is expected to repay $34,909,060 (RMB 196,339,025) during the year ended December 31, 2014, $23,091,701 (RMB 129,874,655) during the year ended December 31, 2015.

The assets of the Company's subsidiaries including inventory and property, plant and equipment have been pledged as collateral for these bank loans. For the three months ended March 31, 2014, the weighted average interest capitalization was nil% (2013 – nil%).

(Unaudited – Expressed in Canadian Dollars)

8. CONVERTIBLE NOTES

During the year ended December 31, 2013, the Company issued a three year, zero interest Canadian dollars dominated unsecured convertible debenture with principal amount of $4,295,533 that is convertible to common shares at a conversion price of $1.80 per share. The Toronto Stock Exchange has granted approval for listing of up to 2,386,407 common shares upon conversion, subject to certain conditions.

The convertible notes contain two components: liability and equity elements. The equity element is presented in equity under the heading of "Contributed surplus" (See Note 10). The effective interest rate of the liability element on initial recognition is 11.46% per annum.

Fair value of issue	3,366,405
Liability component at the date of issue	(3,101,838)
Equity component	264,567
Liability component at December 31, 2013	3,179,265
Accretion	77,428
Liability component at March 31, 2014	3,256,693

9. RELATED PARTIES TRANSACTIONS AND BALANCES

a) Transactions with key management personnel

Key management personnel are those persons who have the authority and responsibility for planning, directing, and controlling activities of the Company directly or indirectly, including any external director of the Company.

Remuneration of key management of the Company as of March 31, 2014 is comprised of the following expenses:

	3 Months	
	2014	**2013**
Short-term employee benefits (including salaries, Bonuses, fees and social security benefits)	$ 192,387	$ 181,524
Long-term employee benefits (including share-based benefits)	$ 390,106	$ 216,222
Total remuneration	$ 582,493	$ 397,745

9. RELATED PARTIES TRANSACTIONS AND BALANCES, continued

a) Transactions with key management personnel, continued

Certain executive officers are subject to termination benefits. Upon resignation at the Company's request or in the event of a change in control, they are entitled to termination benefits ranging from 24 to 36 months of gross salary, totaling approximately $1,700,000.

Key management did not exercise stock options granted under the Company's stock option plan in the three months ended March 31, 2014.

b) Amount due to related parties

As of March 31, 2014, the Company obtained loans of $12,895,209 from the Company's Chairman and Chief Executive Officer (the "Lender"). These loans bore interest at China's 10-year benchmark government bond rate plus 11% per annum and are not to be settled within a year to the balance sheet date. The loan proceeds were used for corporate working capital purposes to fund the operations of the Company. The total amount due to the Lender including accrued interest was $16,108,413. The loan does not have any attached covenants.

Loans will be repaid by either GLG or its Chinese subsidiaries to the Lender in the currency the loans were originally borrowed. Notwithstanding any provision to the contrary contained herein, the parties agree that the loan will be repayable in 36 months since the date of borrowing.

c) Warrants

In connection to the loans from the Company's Chairman and Chief Executive Officer (the "Lender"), 100 common share purchase warrants for every US$1,000 equivalent borrowed were granted to the lender at the exercise price of $1.00 per warrant for a period of 24 months following the offering closing date. During the year ended December 31, 2013, the Company granted and issued an aggregate of 1,154,494 common share purchase warrants to the lender.

(Unaudited – Expressed in Canadian Dollars)

9. RELATED PARTIES TRANSACTIONS AND BALANCES, continued

d) Subsidiaries

The followings are the subsidiaries of the Company:

	Jurisdiction of incorporation	Ownership Interest 2014	2013
Subsidiaries			
Agricultural High Tech Developments Limited	Marshall Islands	100%	100%
Anhui Bengbu HN Stevia High Tech Development Company Limited	China	100%	100%
Chuzhou Runhai Stevia High Tech Company Limited	China	100%	100%
Dongtai Runyang Stevia High Tech Company Limited	China	100%	100%
Qingdao Runde Biotechnology Company Limited	China	100%	100%
Qingdao Runhao Stevia High Tech Company Limited	China	100%	100%
GLG Life Tech US, Inc.	USA	100%	100%
GLG Weider Sweet Naturals Corporation	Canada	55%	55%

10. SHARE CAPITAL

a) Common shares

Changes in common shares during the nine months ended September 30, 2013 are as follows:

Balance at December 31, 2013	**33,362,804**	**$ 191,245,563**
Stock-based compensation on previously issued restricted shares	-	221,772
Issuance of restricted shares (Note 14 (b)(ii))		-
Balance at March 31, 2014	**33,362,804**	**$ 191,467,335**

b) Contributed surplus

Option premium on convertible notes

	Mar 31, 2014	Dec 31, 2013
Balance at beginning of year	9,784,555	9,519,988
Recognition of option premium on issue of convertible notes	-	264,567
Balance at March 31, 2014	9,784,555	9,784,555

(Unaudited – Expressed in Canadian Dollars)

10. SHARE CAPITAL, continued

b) Contributed surplus, continued

	Mar 31, 2014	Dec 31, 2013
Contributed Surplus	18,607,486	18,387,123
Option premium on issue of convertible notes	9,784,555	9,784,555
Balance at March 31, 2014	28,392,041	28,171,677

11. SUPPLEMENTARY INFORMATION

Supplementary cash flow information is as follows:

	Three months ended March 31	
	2014	**2013**
Accounts receivable	$ (1,919,525)	$ 2,606,828
Taxes recoverable	439,604	530,029
Inventory	1,745,642	2,505,639
Prepaid expenses	438,144	115,861
Accounts payable and accruals	663,717	(3,932,892)
Interest payable	659,997	630,640
Deferred revenue	(256)	-
Changes in non-cash working capital items	$ 2,027,323	$ 2,456,105
Interest paid	602,454	1,367,672
Taxes paid	-	131,110

(Unaudited – Expressed in Canadian Dollars)

12. COST OF SALES AND EXPENSES

	Three months ended March 31 2014	2013
Cost of sales - continuing operation		
Direct cost of sales	$ 4,555,057	$ 2,996,680
Depreciation and amortization	612,786	664,416
Transfer from expenses	49,312	19,860
	5,217,155	3,680,956
Cost of sales - discontinued operation	-	-
Total	$ 5,217,155	$ 3,680,956
Selling, general and administrative expenses - continuing operation		
Direct expenses	$ 1,781,204	$ 1,588,357
Depreciation and amortization	177,830	66,387
	1,959,034	1,654,743
Selling, general and administrative expenses - discontinued operation	-	87,069
Total	$ 1,959,034	$ 1,741,812
Supplementary information:		
Employee benefits	$ 518,039	$ 482,071

(Unaudited – Expressed in Canadian Dollars)

13. LOSS PER SHARE

The following table set forth the calculation of the basic and diluted loss per share for the three months ended March 31, 2014 and 2013.

		Three months ended		
		31-Mar-14		**31-Mar-13**
Numerator:				
Net Loss after tax				
From continuing and discontinued operations	$	(4,971,600)	$	(3,724,370)
From continuing operations		(4,971,600)		(3,637,301)
From discontinued operations		-		(87,069)
Denominator:				
Weighted average number of shares outstanding - basic		33,362,804		32,915,634
Effective of diluted securities				
Employeee Stock Options		-		-
Warrants		-		-
Weighted average number of shares outstanding - diluted		33,362,804		32,915,634
Loss per share - basic				
From continuing and discontinued operations		(0.15)		(0.11)
From continuing operations		(0.15)		(0.11)
From discontinuing operations		-		-
Loss per share - diluted				
From continuing and discontinued operations		(0.15)		(0.11)
From continuing operations		(0.15)		(0.11)
From discontinued operations	$	-	$	-

The total number of anti-dilutive options and warrants that were out of the money and therefore excluded from the calculation for the three months ended March 31, 2014 was 1,402,535 (2013 – 238,506).

(Unaudited – Expressed in Canadian Dollars)

14. SEGMENTED INFORMATION

The Company's business operates primarily in the Natural Sweeteners Segment. During the year ended December 31, 2013, the Company finalized the sale of its Consumer Products segment.

The Natural Sweeteners segment involves the manufacture and sales of a refined form of natural sweeteners, and has operations in China and North America.

The Company's chief operating decision makers are the CEO and CFO. They review the operations and performance of the Company.

The chief operating decision makers review adjusted operating profit as a key measure for purposes of making decisions on resource allocations. Adjusted operating profit is income before stock-based compensation expense, impairment of assets, finance costs, other income, and income taxes. This measure of the operating results differs from operating income in the consolidated statements of income. The majority of the Company's assets are located outside of Canada, in China. Information by reportable segments is as follows, which is regularly reported to the chief operating decision makers:

Three months ended March 31, 2014	Natural Sweeteners	Discontinued Operations	Corporate items & Elminations	Consolidated Totals
Operating Revenue	$ 4,663,345	$ -	$ -	$ 4,663,345
Operating Costs (1)	(6,734,054)	-	-	(6,734,054)
Adjusted Operating Loss	$ (2,070,709)	$ -	$ -	(2,070,709)
Stock based compensation expense (1)	(442,135)	-	-	(442,135)
Operating Loss	$ (2,512,844)	$ -	$ -	$ (2,512,844)
Finance costs	(1,896,061)			(1,896,061)
Other income, net	(562,695)	-		(562,695)
Income before income taxes & Minority Interest	$ (4,971,600)	$ -	$ -	$ (4,971,600)
Additions to PP&E	4,860	-	-	4,860
Total Assets	$ 85,839,977	$ -	$ -	$ 85,839,977
Income taxes paid	$ -	$ -	$ -	$ -

(1) Included with operating costs in consolidated statements of income.

(Unaudited – Expressed in Canadian Dollars)

14. SEGMENTED INFORMATION, continued

Three months ended March 31, 2013	Natural Sweeteners	Discontinued Operations	Corporate items & Elminations	Consolidated Totals
Operating Revenue	$ 3,242,681	$ -	$ -	$ 3,242,681
Operating Costs (1)	(5,582,209)	(87,069)	-	(5,669,278)
Adjusted Operating Loss	$ (2,339,528)	$ (87,069)	$ -	(2,426,597)
Stock based compensation expense (1)	246,510			246,510
Operating Loss	$ (2,093,018)	$ (87,069)	$ -	$ (2,180,087)
Finance costs	(1,834,191)			(1,834,191)
Other income, net	291,018			291,018
Income before income taxes & Minority Interest	$ (3,636,191)	$ (87,069)	$ -	$ (3,723,260)
Additions to PP&E	1,695	-	-	1,695
Total Assets	$ 96,367,098	$ 2,113,106	$ -	$ 98,480,204
Income taxes paid	$ -	$ -		$ -

(1) Included with operating costs in consolidated statements of income.

Revenue to external customers by geographical locations is as follows:

	Three months ended 31-Mar-14	Three months ended 31-Mar-13
China	$ 2,426,769	$ 2,487,824
North America	2,236,576	754,857
	$ 4,663,345	$ 3,242,681

During the three months ended March 31, 2014, three customers (2013 – two customers) of the Stevia CGU individually represented 10% or more of total consolidated revenue. The sales to these customers represented 42% (2013 – 48%) of total consolidated revenue.

15. SEASONALITY

GLG's stevia business is affected by seasonality. The harvest of the stevia leaves typically starts at the end of July and continue through to the fall of each year. GLG's operations in China are also impacted by Chinese New Year celebrations during the month of January or February each year, during which many businesses close down operations for approximately two weeks. GLG's production year runs from October to September whereby raw materials are converted into WIP and finished goods.

(Unaudited – Expressed in Canadian Dollars)

16. COMMITMENTS

a) Operating leases

The Company renewed two five-year operating leases with respect to land and production equipment at the Qingdao factory in China. The leases expire in 2016 and 2018, and the annual minimum lease payments are approximately $178,000 (RMB 1,000,000).

The Company entered into a thirty-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 $140,000 (RMB 790,000) is paid every 10 years.

The Company entered into a five-year agreement for office premises located in Vancouver, Canada beginning June 1, 2011. The lease payments for the year ended December 31, 2014 is $147,000 (2013 – $144,000).

b) Research and development contract

The Company entered into a thirteen-month research and development contract to support development of new stevia products beginning January 2014. The total payments are approximately $144,000 (USD $130,000).

The minimum operating lease cash payments related to the above are summarized as follows:		**Amounts**
2014	$	351,188
2015		326,293
2016		239,789
2017		89,000
2018		89,000
Thereafter		280,000
	$	1,375,270

c) Investment in Juancheng

In April 2008, the Company signed a twenty 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 County of $66,320,000 (US$60,000,000) over the course of the twenty year agreement to retain its exclusive rights. As of March 31, 2014, the Company has not made any investment in the county and there is no liability if the Company eventually does not make any investment in the region. However, the Company may lose its exclusivity right if no investment is made by the end of the term of the agreement.

17. CONTINGENCIES

On December 14, 2011, a putative class action lawsuit was filed against the Company, its Chief Executive Officer and Chief Financial Officer ("defendants") in the U.S. District Court for the Southern District of New York. On January 26, 2012, a very similar putative class action lawsuit against the same defendants was filed in the U.S. District Court for the Southern District of New York. These lawsuits were consolidated into a single case on March 21, 2012, and a consolidated complaint was filed on May 10, 2012. After the defendants move to dismiss the consolidated complaint, the plaintiffs filed an amended consolidated complaint on March 15, 2013. The defendants filed a motion to dismiss the amended consolidated complaint on March 29, 2013, which the Court granted on January 31, 2014 and dismissed this consolidated action with prejudice. The deadline to appeal this dismissal ruling has passed, and the judgment in defendants' favour has become final.

On August 31, 2012, the company was served with proposed class action law suits filed in the Supreme Court of British Columbia and in the Ontario Superior Court of Justice which name the Company, its Chief Executive Officer and Chief Financial Officer. The Company has reviewed the allegations in the consolidated complaint and the Canadian claims, which concern certain purported misrepresentations and omissions in the Company's public filings, and believes that these allegations are completely without merit. The actions have been served on the Company and a tolling agreement has been executed to hold these matters in abeyance pending further developments in similar litigation in the United States. The tolling agreement postpones the running of the limitation period for the claims under the B.C. and Ontario Securities Acts until the Plaintiff or the Company provides 30 days' notice terminating the tolling agreement.

The outcome of all the proceedings and claims against the Company, including the Canadian proposed class action described above, is subject to future resolution that includes the uncertainties of litigation. Based on information currently known to the Company, management believes that it is not probable that the ultimate resolution of any such proceedings and claims, individually or in the aggregate, will have a material adverse effect on the consolidated financial position or results of operations. If it becomes probable that the Company is liable, a provision will be recorded in the period in which the change in probability occurs, and such a provision could be material to the consolidated financial position and results of operations.

The Company has commenced an arbitration as Claimant against a US based stevia extract provider with whom it entered a one-time supply agreement (the "Agreement") in 2012 to provide a specific volume of product at set prices in 2012 and 2013. The purchaser refused to take delivery of the agreed to amount of product. As a result, the Company was unable realize the anticipated revenues or profits from the sale or the Agreement, which significantly affected revenues in 2013. The dispute is set for hearing in October 2014 in a confidential arbitration process provided for under the Agreement. The Company expects to be successful and recover damages in respect of the lost revenue from the product not purchased in accordance with the Agreement.

18. COMPARATIVE FIGURES

Certain figures in the prior year consolidated financial statements have been reclassified to conform to the current year presentation.