GLG LIFE TECH CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2016

(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 Statements of Financial Position
As at June 30, 2016 and December 31, 2015
(Unaudited – Expressed in Canadian Dollars)

	Note		June 30, 2016		December 31, 2015
ASSETS					
Current Assets					
Cash		$	1,958,132	$	2,326,765
Accounts receivable	5		2,600,009		2,821,324
Sales taxes recoverable			597,241		1,220,619
Inventory	6		10,679,713		12,571,996
Prepaid expenses and other advances			707,961		702,779
Total Current Assets			16,543,056		19,643,483
Property, Plant, and Equipment	7		47,039,780		56,394,674
Total Assets		$	63,582,836	$	76,038,157
LIABILITIES AND SHAREHOLDERS' DEFICIENCY					
Current Liabilities					
Short-term loans	8	$	64,291,978	$	70,009,287
Accounts payable and accruals			20,185,029		21,507,819
Interest payable			17,973,334		16,558,538
Due to related parties	9		3,696,209		3,646,295
Total Current Liabilities			106,146,550		111,721,939
Long-term loans	8		2,234,271		2,407,268
Due to related parties	9		27,827,906		27,913,376
Liabilities on derivatives	8,9		366,657		205,917
Total Liabilities			136,575,384		142,248,500
EQUITY					
Shareholders' Deficiency					
Share capital	10		197,511,747		197,116,227
Contributed surplus			29,168,324		29,019,218
Accumulated other comprehensive income			12,581,014		11,541,694
Deficit			(312,253,633)		(303,887,482)
Total Shareholders' Deficiency			(72,992,548)		(66,210,343)
Total Liabilities and Shareholders' Deficiency		$	63,582,836	$	76,038,157

Going concern (Note 3)
Commitments (Note 15)
Contingencies (Note 16)
See Accompanying Notes to the Condensed Interim Consolidated Financial Statements
APPROVED ON BEHALF OF THE BOARD:

"Sophia Leung " Director
"Brian Palmieri " Director

GLG LIFE TECH

Condensed Interim Consolidated Statements of Operations and Comprehensive (Loss)
For the Periods Ended June 30, 2016 and 2015
(Unaudited – Expressed in Canadian Dollars)

	Three months ended June 30		Six months ended June 30	
	2016	**2015**	**2016**	**2015**
REVENUE	$ 4,328,803	$ 8,032,634	$ 9,869,591	$ 14,200,346
COST OF SALES (Note 12)	(4,325,513)	(7,140,906)	(9,767,024)	(12,986,511)
GROSS PROFIT (LOSS)	3,290	891,728	102,567	1,213,835
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES (Note 12)	(2,860,141)	(2,664,953)	(5,957,997)	(5,166,240)
OTHER INCOME (EXPENSES)				
Bad debt recovery	15,057	149,428	526,948	304,092
Foreign exchange gain (loss)	145,508	(46,568)	1,044,897	(899,742)
Interest expense	(2,403,703)	(2,555,998)	(5,133,919)	(4,992,067)
Interest income	4,459	10,672	9,256	11,144
Inventory impairment - obsolescence	(2,215)	(195,629)	(10,077)	(195,629)
Other income (expenses)	1,092,273	12,527	1,033,199	(4,688)
Prepaid expenses recovery (provision)	(8,260)	(124,979)	26,353	68,161
Loss on disposal of property, plant & equipment	(7,378)	-	(7,378)	-
Sales taxes recovery	-	1,009,867	-	1,381,889
	(1,164,259)	(1,740,680)	(2,510,721)	(4,326,840)
LOSS BEFORE INCOME TAXES AND NON-CONTROLLING INTERESTS	(4,021,110)	(3,513,905)	(8,366,151)	(8,279,245)
NET LOSS	(4,021,110)	(3,513,905)	(8,366,151)	(8,279,245)
OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS				
Foreign Currency Translation Adjustment	623,171	109,525	1,039,320	644,599
TOTAL COMPREHENSIVE LOSS	$ (3,397,939)	$ (3,404,380)	$ (7,326,831)	(7,634,646)
NET LOSS PER SHARE				
Basic & Diluted (Note 13)	$ (0.11)	$ (0.09)	$ (0.22)	$ (0.22)
Weighted Average Number of Shares Outstanding				
Basic and diluted	37,890,336	37,908,336	37,890,336	37,854,469

See Accompanying Notes to the Condensed Interim Consolidated Financial Statements

GLG LIFE TECH CORPORATION

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

As at June 30, 2016 and December 31, 2015

(Unaudited – Expressed in Canadian Dollars)

	Number of Common Shares	Number of Restricted Shares	Common Shares Amount	Contributed Surplus	Accumulated Other Comprehensive Income ("AOCI")	Restated Deficit (Note 2)	Total Equity Attributable to GLG Life Tech Corporation Shareholders	Total Shareholders' Equity
Balance as at December 31, 2014	36,417,124	1,341,212	$ 196,270,208	$ 28,608,516	$ 11,536,910	$ (278,189,073)	$ (41,773,439)	$ (41,773,439)
Balance, January 1, 2015	36,417,124	1,341,212	$ 196,270,208	$ 28,608,516	$ 11,536,910	$ (278,189,073)	$ (41,773,439)	$ (41,773,439)
Issuance of restricted shares	-	150,000	-	-	-	-	-	-
Share-based compensation	-	-	448,459	239,621	-	-	688,080	688,080
Change in foreign currency translation	-	-	-	-	644,599	-	644,599	644,599
Net loss	-	-	-	-	-	(8,279,245)	(8,279,245)	(8,279,245)
Balance as at June 30, 2015	36,417,124	1,491,212	$ 196,718,667	$ 28,848,137	$ 12,181,509	$ (286,468,318)	$ (48,720,005)	$ (48,720,005)
Balance, July 1, 2015	36,417,124	1,491,212	$ 196,718,667	$ 28,848,137	$ 12,181,509	$ (286,468,318)	$ (48,720,005)	$ (48,720,005)
Vested restricted shares	55,193	(55,193)	-	-	-	-	-	-
Forfeited restricted shares	-	(18,000)	-	-	-	-	-	-
Share-based compensation	-	-	397,560	171,081	-	-	568,641	568,641
Change in foreign currency translation	-	-	-	-	(639,815)	-	(639,815)	(639,815)
Net loss	-	-	-	-	-	(17,419,164)	(17,419,164)	(17,419,164)
Balance as at December 31, 2015	36,472,317	1,418,019	$ 197,116,227	$ 29,019,218	$ 11,541,694	$ (303,887,482)	$ (66,210,343)	$ (66,210,343)
Balance, January 1, 2016	36,472,317	1,418,019	$ 197,116,227	$ 29,019,218	$ 11,541,694	$ (303,887,482)	$ (66,210,343)	$ (66,210,343)
Share-based compensation	-	-	395,520	149,106	-	-	544,626	544,626
Change in foreign currency translation	-	-	-	-	1,039,320	-	1,039,320	1,039,320
Net loss	-	-	-	-	-	(8,366,151)	(8,366,151)	(8,366,151)
Balance as at June 30, 2016	36,472,317	1,418,019	$ 197,511,747	$ 29,168,324	$ 12,581,014	$ (312,253,633)	$ (72,992,548)	$ (72,992,548)

See Accompanying Notes to the Condensed Interim Consolidated Financial Statements

GLG LIFE TECH CORPORATION

Condensed Interim Consolidated Statements of Cash Flows
For the Periods Ended June 30, 2016 and 2015
(Unaudited – Expressed in Canadian Dollars)

	Three months ended June 30		Six months ended June 30	
	2016	**2015**	**2016**	**2015**
Cash Flows From Operating Activities				
Net loss	$ (4,021,110)	$ (3,513,905)	$ (8,366,151)	$ (8,279,245)
Adjustments to reconcile net income to net cash provided by operating activities:				
Stock-based compensation (Note 10)	255,639	339,505	544,626	688,080
Depreciation of property, plant and equipment and amortization of intangible assets	1,379,610	1,662,045	2,709,596	2,956,369
Bad debt recovery	(15,057)	(149,428)	(526,948)	(304,092)
Inventories impairment	2,215	195,629	10,077	195,629
Loss on disposal of property, plant and equipment	7,378	-	7,378	-
Prepaid expenses (recovery)	8,260	124,979	(26,353)	(68,161)
Sales taxes recovery	-	(1,009,867)	-	(1,381,889)
Unrealized foreign exchange (gain) loss	(323,267)	17,493	(1,951,640)	51,069
Change in biological assets	-	(219,603)	-	(159,935)
Interest expenses - noncurrent	1,009,533	-	2,129,416	-
Changes in non-cash working capital items (Note 11)	2,326,949	6,582,072	4,776,542	9,189,119
Net cash from (used in) operating activities	630,150	4,028,920	(693,458)	2,886,944
Cash Flows From Investing activities	(1,696,799)	(2,553,152)	856,353	
Purchase of short-term investments	-	(214,470)	-	(214,471)
Purchase of property, plant and equipment	(38,309)	(48,832)	(294,216)	(210,766)
Net cash used in investing activities	(38,309)	(263,303)	(294,216)	(425,237)
Cash Flow From Financing activities				
Issuance of long-term loans	-	804,767	-	876,377
Repayment of short-term loans	-	(100,600)	-	(100,600)
Repayment of related party loans	-	(250,000)	-	(352,295)
Interest paid	(31,010)	-	(101,795)	-
Net cash from (used in) financing activities	(31,010)	454,168	(101,795)	423,482
Effect of exchange rate changes on cash	255,219	97,918	720,836	1,001,280
Net Change In Cash	816,049	4,317,703	(368,633)	3,886,470
Cash, beginning of period	1,142,083	523,366	2,326,765	954,599
Cash, end of period	$ 1,958,132	$ 4,841,069	$ 1,958,132	$ 4,841,069

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

1. NATURE OF OPERATIONS

GLG Life Tech Corporation (the "Company" or "GLG") was incorporated under the *Companies Act* (British Columbia), Canada. The registered office of the Company is located at Suite 100, 10271 Shellbridge Way, Richmond, British Columbia V6X 2W8. 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 and monk fruit extracts. The Company's business operates primarily through the manufacturing and sales of refined forms of stevia and monk fruit, and has operations in China and North America.

2. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements for the six months ended June 30, 2016, 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 2015 annual financial statements which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

These unaudited condensed consolidated financial statements have been prepared on a historical costs basis. 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 Company has restated the comparative December 31, 2014, balances to correctly treat a settlement of convertible debentures that occurred in the fourth quarter of fiscal 2014. During fiscal 2014, The Company recorded a gain of $2,000,857 on the settlement of the debentures that should have been reflected in equity, not net loss. The Company has also recorded $443,000 of a loss provision on the amendment of the notes on September 30, 2015. The effect on the ending statement of financial position is a reclassification of $2,443,857 between deficit and share capital. For the year ended December 31, 2014, net loss increased by $2,443,857 from $32,566,755 to $35,010,612. Loss per share changed from $0.95 to $1.02 per share. There was no effect to cash flow from operations, investing or activities. There was also no impact on the current period Statement of Financial Position.

The condensed interim consolidated financial statements of the Company for the six months ended June 30, 2016, were authorized for issue by the Audit Committee on behalf of the Board of Directors on August 10, 2016.

3. GOING CONCERN

These unaudited condensed consolidated financial statements have been prepared in accordance with IFRS accounting policies, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. For the six-month period ended June 30, 2016, the Company incurred a net loss of $8,366,151 (2015 - $8,279,245). As at June 30, 2016, the Company had an accumulated deficit of $312,253,633 (2015 - $303,887,482), working capital deficiency of $89,603,494 (2015 - $92,078,456) and cash outflow from operating activities of $693,458 (2015 – inflow $2,886,944).

These condensed interim 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's operating assets and primary sources of income and cash flows originate in China; the Company is therefore 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. Changes in the political and economic policies of the People's Republic of China ("PRC") government may materially and adversely affect the Company's business, financial condition and results of operations and may result in the Company's inability to sustain growth and expansion. There is also no assurance that the Company will not be adversely affected by changes in other governmental policies or any unfavorable change in the political, economic or social conditions, laws or regulations, or the rate or method of taxation in China.

The PRC economy differs from the economies of most developed countries in many respects, including the extent of government involvement, the level of development, growth rate, control of foreign exchange and allocation of resources. Although the PRC government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets, and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China are still owned by the government. In addition, the PRC government continues to play a significant role in regulating industry development by imposing industrial policies. The PRC government also exercises significant control over China's economic growth by allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, regulating financial services and institutions and providing preferential treatment to particular industries or companies.

While the PRC economy has experienced significant growth in the past three decades, growth has been uneven, both geographically and among various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall PRC economy, but may also have a negative effect on the Company. The financial condition and results of operations could be materially and adversely affected by government control over capital investments or changes in tax regulations that are applicable to the Company. In addition, the PRC government has in the past implemented certain measures, including interest rate increases, to control the pace of economic growth. These measures may cause decreased economic activity, which in turn could lead to a reduction in demand for our services and consequently could have a material adverse effect on our business, financial condition and results of operations.

3. GOING CONCERN, continued

There are also uncertainties regarding the interpretation and enforcement of PRC laws, rules and regulations. As noted above, most of the Company's operations are conducted in the PRC, and are governed by PRC laws, rules and regulations. The Company's PRC subsidiaries are subject to laws, rules and regulations applicable to foreign investment in China. The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value. In 1979, the PRC government began to promulgate a comprehensive system of laws, rules and regulations governing economic matters in general. The overall effect of legislation over the past three decades has significantly enhanced the protections afforded to various forms of foreign investment in China. However, China has not developed a fully integrated legal system, and recentlyenacted laws, rules and regulations may not sufficiently cover all aspects of economic activities in China or may be subject to significant degrees of interpretation by PRC regulatory agencies. In particular, because these laws, rules and regulations are relatively new, and because of the limited number of published decisions and the nonbinding nature of such decisions, and because the laws, rules and regulations often give the relevant regulator significant discretion in how to enforce them, the interpretation and enforcement of these laws, rules and regulations involve uncertainties and can be inconsistent and unpredictable. In addition, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all, and which may be given retroactive effect. As a result, the Company may not be aware of a violation of these policies and rules until after the occurrence of the violation.

Furthermore, any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention. Since the PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. These uncertainties may impede the Company's ability to enforce the contracts we have entered into and could materially and adversely affect the Company's business, financial condition and results of operations.

Regarding risk associated with financial instruments generally, as of June 30, 2016 and December 31, 2015, substantially all bank loans were held by Chinese banks. The Company has provided its banks guarantees and collateral agreements which could enable the banks to exercise their rights against the Company's assets, because the Company has not made its principal or interest payments on time. Should the banks exercise their respective rights, it could have a significant impact on the Company's ownership of its assets, and ultimately, its operations. The Company has provided collateral and guarantor agreements in multiple provinces in China, of which each is subject to local provincial rules. There is additional risk that the Company may be assessed additional interest and penalties. To the best of the Company's knowledge, the banks have not taken any action on their assets to date.

By the end of June 30, 2016, the Chinese debt with the Construction Bank of China and Bank of China had been transferred to China Cinda Assets Management Co., Ltd. ("Cinda"). They are state-owned capital management companies ("SOCMC").

3. GOING CONCERN, continued

The Company also relies heavily on related parties for funding and continued operations of the Company. Should the related parties not act in good faith, or decide to no longer fund the operations of the Company, there is a high risk that the operations of the Company could be significantly impacted adversely.

Finally, in the ordinary course of business, the Company is from time to time involved in legal proceedings and litigation. Presently, there are no legal proceedings and litigations that recently have had, or to the Company's knowledge, are reasonably possible to have, a material impact on the Company's financial positions, results of operations or cash flows. The Company did not accrue any loss contingencies in this respect as of June 30, 2016, and December 31, 2015, as the Company did not consider an unfavourable outcome in any material respects in these legal proceedings and litigations to be probable.

The above matters indicate the existence of a material uncertainty about the Company's ability to continue as a going concern.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed intrim financial statements have been prepared suing accouting policies consistent with those used in the pareparationof the audited consolidated financial statements as at December 31, 2015. The accompanying uncaudited condensed intrim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2015.

New accounting standards issued but not yet effective

IFRS 15 Revenue from Contracts with Customers In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which covers principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. In September 2015, the IASB deferred the effective date of the standard to annual reporting periods beginning on or after January 1, 2018, with earlier application permitted. We are currently assessing the impact on our consolidated financial statements along with the planned timing of our adoption of IFRS 15.

IFRS 16 Leases In January 2016, the IASB issued IFRS 16 Leases, which requires lessees to recognize assets and liabilities for most leases. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2019, with earlier application permitted, provided the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been applied or is applied at the same date as IFRS 16. We are currently assessing the impact on our consolidated financial statements along with timing of our adoption of IFRS 16.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

New accounting standards issued but not yet effective, continued

IFRS 9 Financial Instruments In July 2014, the IASB issued the final version of IFRS 9 which replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flow of the
financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

IFRS 9 amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and derecognition of financial instruments. The amended standard is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted.

Change in accounting policies

The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards with a date of initial application of January 1, 2016:

Annual improvements 2012 - 2014

Annual improvements 2012-2014 are amendments that include changes from the 2012-14 cycle of annual improvements project that affect four standards: IFRS 5, "Non-current assets held for sale and discontinued operations"; IFRS 7, "Financial instruments - Disclosures"; IAS 19, "Employee benefits" and IAS 34, "Interim financial reporting".

IAS 16, Property Plant and Equipment ("PPE") and IAS 41, Agriculture

IAS 16 and IAS 41 are amended to distinguish bearer plants from other biological assets and to require bearer plants to be classified as peroperty plant and equipment and accounted for under IAS 16.

(Unaudited – Expressed in Canadian Dollars)

5. ACCOUNTS RECEIVABLE

The aging analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired < 90 days	91 - 180 days	>180 days
June 30, 2016	$ 2,600,009	$ 2,523,153	$ 3,299	$ 73,557	$ -
December 31, 2015	2,821,324	$ 2,185,860	$ 635,464	$ -	$ -

6. INVENTORY

	June 30, 2016	December 31, 2015
Raw material	$ 894,687	$ 1,648,386
Work in progress	2,143,822	2,437,136
Finished goods	7,641,204	8,486,474
	$ 10,679,713	$ 12,571,996

As of June 30, 2016, the Company has inventory of Stevia $5,306,324 (2015 - $8,161,923) and Monk Fruit $4,320,083 (2015 - $4,498,075).

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 its 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.

For the six months ended June 30, 2016, the Company recorded an inventory impairment of $10,077 (2015 - $195,629). In the six months ended June 30, 2016, raw materials, changes in work in progress and finished goods included in cost of sales amounted to $7,171,296 (2015 - $10,298,297).

The carrying amounts of inventory have been pledged as general collateral for the line of credit facilities available to the Chinese subsidiaries.

(Unaudited – Expressed in Canadian Dollars)

7. PROPERTY, PLANT AND EQUIPMENT

	Ion exchange resin equipment	Manufacturing equipment	Buildings & construction in progress	Leasehold & land use rights	Computer equipment & software	Motor vehicles & furniture and fixture	Bearer plants	Total
Costs								
As at December 31, 2014	$ 4,830,880	$ 32,597,712	$ 40,024,399	$ 5,466,072	$ 790,772	$ 1,094,007	$ -	$ 84,803,842
Additions & Reclassification	363,912	672,997	-	8,864	6,802	17,206	276,050	1,345,831
Impairment	(1,609,374)	(1,297,463)	-	-	(170,327)	(182,220)	-	(3,259,383)
Disposals	-	-	(202,565)	-	(147,567)	(96,043)	-	(446,175)
Foreign currency adjustments	1,704,398	7,562,645	9,046,472	755,138	105,127	147,200	-	19,320,980
As at December 31, 2015	$ 5,289,816	$ 39,535,891	$ 48,868,307	$ 6,230,074	$ 584,805	$ 980,150	$ 276,050	$ 101,765,096
Additions	-	71,328	31,312	39,470	21,548	13,141	-	176,798
Impairment	-	-	-	-	-	-	-	-
Disposals	-	-	-	(79,901)	-	-	-	(79,901)
Foreign currency adjustments	(1,626,491)	(7,052,150)	(3,911,366)	(502,253)	(47,607)	(72,697)	(22,544)	(13,235,106)
As at June 30, 2016	$ 3,663,325	$ 32,555,069	$ 44,988,253	$ 5,687,391	$ 558,746	$ 920,594	$ 253,507	$ 88,626,887
Accumulated depreciation								
As at December 31, 2014	$ 2,445,464	$ 18,623,180	$ 11,110,331	$ 673,514	$ 549,150	$ 922,178	$ -	$ 34,323,817
Amortization	174,046	2,671,625	2,078,641	140,133	77,528	43,834	55,210	5,241,018
Disposals	-	-	(12,135)	-	(138,081)	(92,234)	-	(242,450)
Impairment	(303,192)	(813,629)	-	-	(119,165)	(163,998)	-	(1,399,984)
Foreign currency adjustments	701,520	4,076,107	2,339,295	137,313	70,788	122,998	-	7,448,022
As at December 31, 2015	$ 3,017,839	$ 24,557,284	$ 15,516,132	$ 950,960	$ 440,221	$ 832,778	$ 55,210	$ 45,370,423
Amortization	25,461	1,175,961	873,117	72,741	17,385	12,380	25,700	2,202,745
Disposals	-	-	-	(68,527)	-	-	-	(68,527)
Impairment	-	-	-	-	-	-	-	-
Foreign currency adjustments	(943,336)	(3,468,684)	(1,329,520)	(72,064)	(22,851)	(76,220)	(4,858)	(5,917,535)
As at June 30, 2016	$ 2,099,965	$ 22,264,560	$ 15,059,728	$ 883,110	$ 434,755	$ 768,938	$ 76,052	$ 41,587,106

(Unaudited – Expressed in Canadian Dollars)

7. PROPERTY, PLANT AND EQUIPMENT, continued

Land use rights in China have remaining terms ranging from 42.75 to 43.00 years.

Amortization expense is included in the unaudited condensed interim consolidated statement of operations under the following categories:

	Three months ended June 30		Six months ended June 30	
	2016	**2015**	**2016**	**2015**
Cost of sales	$ 991,450	$ 1,426,612	$ 1,905,027	$ 2,473,744
Selling, general and administrative expenses	388,160	235,433	804,569	482,625
	$ 1,379,610	1,662,045	$ 2,709,596	$ 2,956,369

Amortization expenses for the six months ended June 30, 2016, consist of $2,202,745 relating to current year amortization on property, plant and equipment and $506,851 relating to amortization capitalized to inventory during the year ended December 31, 2015, and amortized into income during the six months ended June 30, 2016.

The Company has adopted the amendement of IAS 16 and IAS 41 and has classified bearer plants as prepoerty, plant and equipment. This assets consist of 6.6 million parent seedlings (December 31, 2015 - 6.6 million). The adoption of this standard resulted an increase of $10,691 in biological assets as of December 31, 2015.

(Unaudited – Expressed in Canadian Dollars)

8. SHORT-TERM AND LONG-TERM LOANS

The Company's short-term loans consisted of borrowings from various banks in China as follows:

Bank loans as at June 30, 2016:

	Loan amount in CAD	Loan amount in RMB	Maturity Date	Interest rate per annum	Lender
	$ 587,096	3,000,000	On Demand	7.71%	China Hua Rong Assets Management Shandong Branch
	5,479,559	28,000,000	On Demand	7.71%	China Hua Rong Assets Management Shandong Branch
	1,956,985	10,000,000	On Demand	7.13%	China Hua Rong Assets Management Shandong Branch
	1,913,932	9,780,000	On Demand	7.13%	China Hua Rong Assets Management Shandong Branch
	10,092,506	51,571,696	On Demand	6.48%	China Hua Rong Assets Management Shandong Branch
	15,655,884	80,000,000	On Demand	6.48%	China Hua Rong Assets Management Shandong Branch
	15,496,362	79,184,858	On Demand	11.97%	Bank of Communication
	3,416,403	17,457,477	On Demand	8.83%	China Cinda Assets Management Anhui Branch
	8,322	42,523	On Demand	8.83%	China Cinda Assets Management Anhui Branch
	1,369,890	7,000,000	July 1, 2017	5.82%	Huishang Bank
	5,870,956	30,000,000	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
	2,444,084	12,489,025	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
Short-term	$ 64,291,978	328,525,578			
Short-term	$ 64,291,978	328,525,578			
Long-term	$ -	-			

Bank loans as at December 31, 2015:

	Loan amount in CAD	Loan amount in RMB	Maturity Date	Interest rate per annum	Lender
	$ 639,304	3,000,000	On Demand	7.71%	China Hua Rong Assets Management Shandong Branch
	5,966,841	28,000,000	On Demand	7.71%	China Hua Rong Assets Management Shandong Branch
	2,131,015	10,000,000	On Demand	7.13%	China Hua Rong Assets Management Shandong Branch
	2,084,132	9,780,000	On Demand	7.13%	China Hua Rong Assets Management Shandong Branch
	10,990,090	51,572,096	On Demand	6.48%	China Hua Rong Assets Management Shandong Branch
	17,048,118	80,000,000	On Demand	6.48%	China Hua Rong Assets Management Shandong Branch
	16,874,410	79,184,858	On Demand	11.97%	Bank of Communication
	3,720,214	17,457,477	On Demand	9.24%	China Cinda Assets Management Anhui Branch
	9,062	42,523	On Demand	8.83%	China Cinda Assets Management Anhui Branch
	1,491,710	7,000,000	July 1, 2016	5.82%	Huishang Bank
	6,393,044	30,000,000	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
	2,661,430	12,489,025	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
Short-term	$ 70,009,287	328,525,978			
Short-term	$ 70,009,287	328,525,978			
Long-term	$ -	-			

The Company has continued to work with its Chinese banks on restructuring its debt. As of June 30, 2016, the Chinese debt with the Agricultural Bank of China had been transferred to China Huarong Asset Management Co., Ltd. ("Huarong"), and the Chinese debt with the Construction Bank of China had been transferred to China Cinda Assets Management Co., Ltd. ("Cinda"). They are state-owned capital management companies ("SOCMC").

(Unaudited – Expressed in Canadian Dollars)

8. SHORT-TERM AND LONG-TERM LOANS, continued

On July 1, 2016, the Company successfully renewed the loan with the Huishang Bank. The loan will be payable in 12 months and bears interest at 5.82% per annum.

The assets of the Company's subsidiaries including inventory and property, plant and equipment have been pledged as collateral for these bank loans.

Long-term borrowing from private lenders:

December 31, 2014	$	2,010,965
Additions		1,284,948
Repayments		(1,210,365)
Foreign currency translation		321,720
December 31, 2015	$	2,407,268
Additions		-
Repayments		-
Foreign currency translation		(172,997)
June 30, 2016	$	2,234,271

This loan balance consists of two loans.

The first loan principal and accrued interest amount as of June 30, 2016, is $1,201,148 (2015 - $1,200,118) and bears interest at 11.50% per annum. The loan will be payable on October 31, 2017, and does not have any attached covenants.

The second loan principal and accrued interest amount as of June 30, 2016, is $1,676,013 (2015 - $1,647,834) and bears interest at 20% per annum. The loan will be payable on October 31, 2017, and does not have any attached covenants. This loan provides a repayment option to the lender in either RMB or USD using a fixed foreign exchange rate of 6.1234. This option results in a liability of $19,678 (2015 - $10,711), which is accounted as liabilities on derivatives and included in unrealized foreign exchange losses. The fair value of the liability on derivatives was calculated using the Black-Scholes model with the following assumptions:

Risk free interest	0.89%
Expected life of the loan	3 years
Expected foreign currency volalitity	6.22%

(Unaudited – Expressed in Canadian Dollars)

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 is comprised of the following expenses:

	Three months ended June 30		Six months ended June 30	
	2016	**2015**	**2016**	**2015**
Short-term employee benefits (including salaries, bonuses, fees and social security benefits)	$ 228,982	$ 261,314	$ 468,280	$ 481,157
Share-based benefits	$ 247,399	$ 352,929	$ 524,975	$ 690,693
Total remuneration	$ 476,381	$ 614,243	$ 993,255	$ 1,171,850

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 six months ended June 30, 2016.

b) Amount due to related parties

As of June 30, 2016, the Company has accrued $1,845,412 (2015 - $1,779,231) in consulting fees to the Company's Chairman and Chief Executive Officer.

As of June 30, 2016, the Company has obtained loans under numerous credit facility agreements starting from April 2012 to November 2013 from the Company's Chairman and Chief Executive Officer that, along with accrued interest, total $24,439,017 (2015 - $24,595,160). The loan proceeds were used for corporate working capital purposes. Amended agreements specify that the loans are repayable within 72 months of the date of borrowing.

As of June 30, 2016, the Company has obtained a loan from a direct family member of the Company's Chairman and Chief Executive Officer that, along with accrued interest, totals $6,280,178 (2015 - $6,159,251) in order to provide working capital required for monk fruit extracts. The loan is secured by expected proceeds from monk fruit sales, bearing interest at 20% per annum and repayable within 6 months to 36 months of the loan date, depending on the debt facility agreement.

(Unaudited – Expressed in Canadian Dollars)

9. RELATED PARTIES TRANSACTIONS AND BALANCES, continued

b) Amount due to related parties, continued

The combined total of the above loans, including the accrued interest, is $30,719,196 (2015 - $30,754,411) of which $2,891,290 is in current liabilities. These loans will be repaid by either GLG or its Chinese subsidiaries to the Lender in the currency the loans were originally borrowed (either USD or RMB), or, at the Lender's discretion, in the alternate currency.

These loans provide a repayment option to the lenders in either RMB or USD using a fixed foreign exchange rate of 6.1234. This option results in a liability of $346,979 (2015 - $195,206), which is accounted as liabilities on derivatives and unrealized foreign exchange losses. The assumptions for the fair value determination of the liability are the same as those outlined in Note 9.

Loan balance as of June 30, 2016

	Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
	$ 7,806,995	April 27, 2012	April 27, 2018	Unsecured	Category 1	Chairman and CEO
	1,291,147	October 11, 2012	October 11, 2018	Unsecured	Category 1	Chairman and CEO
	4,268,210	May 30, 2013	May 30, 2018	Unsecured	Category 2	Chairman and CEO
	325,224	November 15, 2013	November 15, 2018	Unsecured	Category 1	Chairman and CEO
	4,668,447	October 20, 2014	October 20, 2017	Unsecured	Category 3	Direct family member of CEO
Principal amounts	**$ 18,360,023**					
Accrued interest	**12,359,173**					
	$ 30,719,196					

Loan balance as of December 31, 2015

	Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
	$ 9,996,730	April 27, 2012	April 27, 2018	Unsecured	Category 1	Chairman and CEO
	2,159,129	October 11, 2012	October 11, 2018	Unsecured	Category 1	Chairman and CEO
	3,085,979	May 30, 2013	May 30, 2018	Unsecured	Category 2	Chairman and CEO
	346,021	November 15, 2013	November 15, 2018	Unsecured	Category 1	Chairman and CEO
	7,305,175	October 20, 2014	October 20, 2017	Unsecured	Category 3	Direct family member of CEO
	$ 22,893,034					
Payments	**(757,863)**	April 27, 2012	April 27, 2018	Unsecured	Category 1	Chairman and CEO
	(2,246,104)	October 20, 2014	October 20, 2017	Unsecured	Category 3	Direct family member of CEO
Principal amounts	**$ 19,889,067**					
Accrued interest	**10,865,344**					
	$ 30,754,411					

Category 1: China 10 year benchmark government bond rate plus 1100 basis points
Category 2: US 10 year benchmark government bond rate plus 1100 basis points for loans issued in USD or
China 10 year benchmark government bond rate plus 1100 basis points for loans issued in RMB
Category 3: 20%

(Unaudited – Expressed in Canadian Dollars)

9. RELATED PARTIES TRANSACTIONS AND BALANCES, continued

b) Amount due to related parties, continued

The Company has a loan of $800,000 from a Director of the Company to provide working capital required for Monk Fruit extracts. The loan is secured by expected proceeds from monk fruit sales, bearing interest at 15% per annum and repayable in full within twelve months of the Disbursement Date. As of June 30, 2016, the total amount due to this related party including interest was $804,919 (2015 - $805,260) and is classified under current liabilities.

Loan balance as of June 30, 2016

	Loan amount in CAD		Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
Principal amounts	$	800,000	September 15, 2015	September 15, 2016	Unsecured	15.00%	Director
Accrued interests	$	4,919					
	$	**804,919**					

Loan balance as of December 31, 2015

	Loan amount in CAD		Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
Principal amounts	$	800,000	September 15, 2015	September 15, 2016	Unsecured	15.00%	Director
Accrued interests	$	5,260					
	$	**805,260**					

c) Subsidiaries

The following are the subsidiaries of the Company:

	Jurisdiction of incorporation	Ownership Interest 2016	Ownership Interest 2015	Functional Currency
Subsidiaries				
Agricultural High Tech Developments Limited	Marshall Islands	100%	100%	HKD
Anhui Bengbu HN Stevia High Tech Development Company Limited	China	100%	100%	RMB
Chuzhou Runhai Stevia High Tech Company Limited	China	100%	100%	RMB
Dongtai Runyang Stevia High Tech Company Limited	China	100%	100%	RMB
Qingdao Runde Biotechnology Company Limited	China	100%	100%	RMB
Qingdao Runhao Stevia High Tech Company Limited	China	100%	100%	RMB
GLG Life Tech US, Inc.	USA	100%	100%	USD
0833416 BC Limited (formerly "GLG Weider Sweet Naturals Corporation")	Canada	55%	55%	USD

10. SHARE CAPITAL

a) Common shares

There are 37,890,336 common shares issued and outstanding with no par value. An unlimited number of common shares are authorized with no par value. The holders of common shares are entitled to one vote per share.

On March 6, 2015, the Company granted 150,000 restricted shares vesting in 3 years to the Company's Chairman and Chief Executive Officer in recognition of his service to the Company.

b) Share-based payments

i) Share-based compensation

Share-based compensation to employees is measured at fair value. Fair value is determined using the Company's common share price, and the Black-Scholes option pricing model ("Black-Scholes model").

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

(Unaudited – Expressed in Canadian Dollars)

10. SHARE CAPITAL, continued

b) Share-based payments, continued

ii) Stock options

The Company recorded share-based payments in the amount of $149,106 (2015 - $239,621) which all related to stock options granted in previous years.

A continuity of stock options is as follows:

	Stock Options		Weighted Average Exercise Price
Balance as at December 31, 2014	2,723,699	$	1.36
Granted	767,000		0.38
Exercised	-		-
Expired/cancelled/forfeited	(81,280)		7.81
Balance as at December 31, 2015	3,409,419	$	1.00
Granted	-		-
Exercised	-		-
Expired/cancelled/forfeited	(160,027)		5.59
Balance as at June 30, 2016	3,249,392	$	1.00

The following summarizes information about the stock options outstanding and exercisable at June 30, 2016:

Exercise price	Number outstanding at June 30, 2016	Number exercisable at June 30, 2016	Remaining contractual life (years)	Expiry Date
$1.32	5,000	5,000	0.53	January 10, 2017
$0.53	1,278,492	1,274,989	2.01	July 4, 2018
$1.11	846,000	810,789	2.14	August 20, 2018
$0.55	342,900	268,957	2.81	April 20, 2019
$0.56	15,000	10,973	2.87	May 14, 2019
$0.38	762,000	-	3.68	March 6, 2020
	3,249,392	2,370,708		

10. SHARE CAPITAL, continued

(Unaudited – Expressed in Canadian Dollars)

b) Share-based payments, continued

iii) Restricted shares

The Company recorded share-based payments in the amount of $395,520 (2015 - $448,459), which all related to restricted shares granted in previous years. Those were valued using the stock price at the date of issue, recognized over the vesting period of the restricted shares.

A continuity of Restricted Shares is as follows:

	Restricted Shares
Balance as at December 31, 2014	1,341,212
Granted	166,920
Exercised	-
Vested	(55,193)
Expired/cancelled/forfeited	(34,920)
Balance as at December 31, 2015	1,418,019
Granted	-
Vested	-
Expired/cancelled/forfeited	-
Balance as at June 30, 2016	1,418,019

The vesting periods for restricted shares into unrestricted common shares as at June 30, 2016, are as follows:

Number of restricted share as at June 30, 2016	Vesting period (years)	Performance based
520,849	3.94	Yes
47,170	0.01	No
400,000	0.14	Yes
100,000	0.81	Yes
200,000	4.90	Yes
150,000	1.68	Yes
1,418,019	2.41	

(Unaudited – Expressed in Canadian Dollars)

11. SUPPLEMENTARY INFORMATION

Supplementary cash flow information is as follows:

`	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Accounts receivable	$ 995,449	$ 1,008,447	$ 715,234	$ (1,202,686)
Taxes recoverable	109,319	719,949	489,411	1,041,734
Inventory	(527,167)	2,015,248	737,564	4,410,593
Prepaid expenses	111,241	(402,946)	(31,322)	(462,419)
Accounts payable and accruals	220,736	745,723	(108,355)	561,508
Interest payable	1,039,545	2,495,651	2,583,921	4,840,389
Due to related party (current)	377,824	-	390,088	-
Changes in non-cash working capital items	$ 2,326,949	$ 6,582,072	$ 4,776,542	$ 9,189,119
Interest paid	$ 31,010	$ 25,074	$ 101,795	$ 50,599

12. COST OF SALES AND EXPENSES

	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Cost of sales				
Direct cost of sales	$ 3,220,369	$ 5,601,258	$ 7,694,616	$ 10,274,810
Depreciation and amortization	991,450	1,426,612	1,905,027	2,473,744
Freight & others	113,694	113,036	167,381	237,957
Total	$ 4,325,513	$ 7,140,906	$ 9,767,024	$ 12,986,511
Selling, general and administrative expenses				
Direct expenses	$ 2,471,981	$ 2,429,520	$ 5,153,428	$ 4,683,615
Depreciation and amortization	388,160	235,433	804,569	482,625
Total	$ 2,860,141	$ 2,664,953	$ 5,957,997	$ 5,166,240
Supplementary information:				
Employee benefits	$ 735,828	$ 652,113	$ 1,546,588	$ 1,271,090

(Unaudited – Expressed in Canadian Dollars)

13. LOSS PER SHARE

The following table sets forth the calculation of the basic and diluted loss per share for share for the six months ended June 30, 2016 and 2015:

	Three months ended June 30		Six months ended June 30	
	2016	**2015**	**2016**	**2015**
Numerator:				
Net Loss after tax	$ (4,021,110)	$ (3,513,905)	$ (8,366,151)	$ (8,279,245)
Denominator:				
Weighted average number of shares outstanding - basic	37,890,336	37,908,836	37,890,336	37,854,469
Weighted average number of shares outstanding - diluted	37,890,336	37,908,836	37,890,336	37,854,469
Loss per share - basic	$ (0.11)	$ (0.09)	$ (0.22)	$ (0.22)
Loss per share - diluted	$ (0.11)	$ (0.09)	$ (0.22)	$ (0.22)

The total number of anti-dilutive options excluded from the calculation for the six months ended June 30, 2016, was 3,249,392 (2015 – 3,409,419).

14. SEGMENTED INFORMATION

The Company's business operates primarily through the Natural Sweeteners Products segment.

The Natural Sweeteners Products segment is the manufacturing and sales of a refined form of stevia and monk fruit, which 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.

Revenue to external customers by geographical locations is as follows:

	Three months ended June 30		Six months ended June 30	
	2016	**2015**	**2016**	**2015**
China	$ 330,726	$ 1,216,041	$ 1,155,124	$ 2,344,298
North America	3,998,077	6,816,593	8,714,467	11,856,048
	$ 4,328,803	$ 8,032,634	$ 9,869,591	$ 14,200,346

(Unaudited – Expressed in Canadian Dollars)

14. SEGMENTED INFORMATION, continued

During the six months ended June 30, 2016, four customers (2015 – three customers) of the Natural Sweeteners CGU individually represented 10% or more of total consolidated revenue. The sales to these customers represented approximately 70% (2015 – 70%) of total consolidated revenue.

15. COMMITMENTS

a) Operating leases

The Company renewed two five‐year operating leases with respect to land and production equipment at the Qingdao Runde factory in China. The leases expire on December 31, 2016, and will each be renewed for another five-year term. The annual minimum of each lease payments is approximately $101,500 (RMB 500,000).

The Company signed a 20 year land rental agreement in Qingdao. The agreement was signed on Feb 16, 2005, and expires on Feb 16, 2025. The terms are as follows:

- In the first 5 years the rent expense is approximately $2,034 (10,000CNY) per year
- In the second 5 years the rent expense is approximately $2,376 (11,680CNY) per year
- In the third 5 years the rent expense is approximately $2,775 (13,642CNY) per year (the Company is currently at this rate)
- In the fourth 5 years the rent expense is approximately $3,241 (15,934CNY) per year

With the same vendor the Company also signed another rental agreement from Nov 8, 2006, to Nov 7, 2036. The annual rental expense is approximately $5,812 (28,576CNY).

The Company completed a five-year office lease term on May 31, 2016 for its corporate headquarters in Vancouver, BC. The Company entered into a new eight-year agreement for corporate headquarters in Richmond, BC, beginning August 1, 2016; it will expire on July 31, 2024. The annual minimum of the new lease payments is approximately $128,040. The six-month lease payments ended June 30, 2016 total $62,579 (2015 – $77,904).

The minimum cash payments related to the above are summarized below:		Amount
2016	$	256,350
2017		299,030
2018		299,030
2019		331,040
Thereafter		1,010,310
Total	$	2,195,760

15. COMMITMENTS, continued

b) 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 $78,053,857 (US$60,000,000) over the course of the twenty-year agreement to retain its exclusive rights. As of June 30, 2016, 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.

16. CONTINGENCIES

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 to realize the anticipated revenues or profits from the sale or the Agreement, which significantly affected revenues in 2013. The dispute was set for hearing in October 2014 in a confidential arbitration process provided for under the Agreement, and has since been adjourned, pending amendment of the parties’ pleadings. The hearing is expected to be rescheduled for a date in 2016. 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.

17. SUBSEQUENT EVENTS

As of July 20th, 2016, four of five of the Company’s 100% owned Chinese Wholly-Owned Foreign Enterprises (“WOFEs”) were consolidated into a single entity (Chuzhou Runhai Stevia High Tech Company Limited or “Runhai”) under Chinese law – and, significantly, Runhai is approved to become a Joint Stock Company (“JSC”). This form of corporation, under Chinese law, enables it considerable opportunities to raise capital. For example, Runhai will now be able to add Chinese investors, raise equity capital in China, and convert China-based debt into equity in the JSC. Post consolidation of the four China subsidiaries, the Company retains its 100% ownership of Runhai and all of the consolidated assets of the previous four China subsidiaries.

The three subsidiaries consolidated into Runhai are:
Anhui Bengbu HN Stevia High Tech Development Company Limited
Qingdao Runhao Stevia High Tech Company Limited
Dongtai Runyang Stevia High Tech Company Limited