GLG LIFE TECH CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2021

(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, 2021 and December 31, 2020
(Unaudited – Expressed in Canadian Dollars)

	Note		June 30, 2021		December 31, 2020
ASSETS					
Current Assets					
Cash and cash equivalents		$	392,104	$	555,963
Accounts receivable	5		1,505,167		1,690,563
Sales taxes recoverable			520,830		445,976
Inventory	6		3,423,027		3,644,167
Prepaid expenses			549,438		377,172
Total Current Assets			6,390,566		6,713,841
Property, Plant and Equipment	7		17,131,154		18,299,362
Right-of-use Assets	8		344,816		428,781
Total Assets		$	23,866,536	$	25,441,984
LIABILITIES AND DEFICIT					
Current Liabilities					
Short-term loans	9	$	48,245,453	$	49,127,718
Interest payable			41,347,046		36,597,934
Accounts payable and accruals			16,129,247		16,264,485
Due to related parties	10		47,215,311		45,108,501
Derivative liabilities	10		319,120		372,340
Current portion of lease liabilities	11		139,147		172,629
Total Current Liabilities			153,395,324		147,643,607
Lease Liabilities	11		277,816		325,886
Total Liabilities			153,673,140		147,969,493
DEFICIT					
Shareholders' Deficiency					
Share capital	12		200,544,544		200,471,881
Contributed surplus			34,018,883		34,018,883
Accumulated other comprehensive income			13,511,966		12,485,008
Accumulated deficit			(377,203,704)		(368,875,463)
Total Shareholders' Deficiency Attributable to Shareholders of GLG			(129,128,311)		(121,899,691)
Non-controlling Interest	13		(678,293)		(627,818)
Total Deficit			(129,806,604)		(122,527,509)
Total Liabilities and Deficit		$	23,866,536	$	25,441,984

Going Concern (Note 3)
Commitments (Note 18)
Subsequent Events (Note 19)
See Accompanying Notes to the Condensed Interim Consolidated Financial Statements

APPROVED ON BEHALF OF THE BOARD:

"Brian Palmieri " Director

"Yingchun Liu" Director

GLG LIFE TECH CORPORATION

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
For the Periods Ended June 30, 2021 and 2020
(Unaudited – Expressed in Canadian Dollars)

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
REVENUE (Note 17)	$ 2,526,117	$ 5,975,357	$ 5,779,657	$ 8,540,471
COST OF SALES (Note 15)	(1,713,248)	(4,299,721)	(4,138,927)	(6,553,887)
GROSS PROFIT	812,869	1,675,636	1,640,730	1,986,584
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES (Note 15)	(1,131,735)	(2,203,408)	(2,286,386)	(3,830,364)
OTHER INCOME (EXPENSES)				
Interest expense	(4,383,404)	(3,086,559)	(8,669,345)	(7,479,789)
Interest income	52	6,263	112	6,501
Gain on extinguishment of debt	-	17,417,034	-	17,417,034
Inventory (provision) recovery (Note 6)	3,127	19,666	(9,190)	84,169
Foreign exchange gain/(loss)	258,225	2,035,003	1,107,592	(1,965,784)
Other expenses	(82,313)	(147,717)	(166,864)	(323,394)
Bad debt (provision) recovery	(3,584)	45,113	(3,584)	55,244
	(4,207,897)	16,288,803	(7,741,279)	7,793,981
LOSS FOR THE PERIOD	(4,526,763)	15,761,031	(8,386,935)	5,950,201
LOSS ATTRIBUTABLE TO				
Shareholders of GLG	(4,496,613)	10,437,936	(8,328,241)	1,760,390
Non-controlling interest	(30,150)	5,323,095	(58,694)	4,189,811
Loss for the period	$ (4,526,763)	$ 15,761,031	$ (8,386,935)	$ 5,950,201
Item that will be reclassified subsequently to profit or loss				
Foreign currency translation adjustment	38,445	2,593,613	1,035,177	(2,805,721)
COMPREHENSIVE LOSS FOR THE PERIOD	$ (4,488,318)	$ 18,354,644	$ (7,351,758)	$ 3,144,480
Total other comprehensive income/(loss) attributable to:				
Shareholders of GLG	38,732	1,518,037	1,026,958	(1,991,903)
Non-controlling interest	(287)	1,075,576	8,219	(813,818)
	$ 38,445	$ 2,593,613	$ 1,035,177	$ (2,805,721)
COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO:				
Shareholders of GLG	(4,457,881)	11,955,973	(7,301,283)	(231,513)
Non-controlling interest	(30,437)	6,398,671	(50,475)	3,375,993
	$ (4,488,318)	$ 18,354,644	$ (7,351,758)	$ 3,144,480
LOSS PER SHARE (Note 16)				
Basic and diluted	$ (0.12)	$ 0.27	$ (0.22)	$ 0.05
Weighted Average Number of Common Shares Outstanding				
Basic and diluted	38,394,223	38,394,223	38,394,223	38,394,223

See Accompanying Notes to the Condensed Interim Consolidated Financial Statements

GLG LIFE TECH CORPORATION

Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency
As at June 30, 2021 and 2020
(Unaudited – Expressed in Canadian Dollars)

	Number of Common Shares	Number of Restricted Shares	Common Shares Amount	Contributed Surplus	Accumulated Other Comprehensive Income	Accumulated Deficit	Total GLG Shareholders' Deficiency	Non-controlling Interest	Total Deficit
Balance, January 1, 2020	37,673,374	720,849	$ 200,112,175	$ 67,162,825	$ 11,002,828	$ (385,402,176)	$ (107,124,348)	$ (28,814,093)	$ (135,938,441)
Share-based compensation	-	-	270,706	-	-	-	270,706	-	270,706
Change in foreign currency translation	-	-	-	-	(1,991,903)	-	(1,991,903)	(813,818)	(2,805,721)
Net loss	-	-	-	-	-	1,760,390	1,760,390	4,189,811	5,950,201
Balance as at June 30, 2020	37,673,374	720,849	$ 200,382,881	$ 67,162,825	$ 9,010,925	$ (383,641,786)	$ (107,085,155)	$ (25,438,100)	$ (132,523,255)
Balance, July 1, 2020	37,673,374	720,849	$ 200,382,881	$ 67,162,825	$ 9,010,925	$ (383,641,786)	$ (107,085,155)	$ (25,438,100)	$ (132,523,255)
Share-based compensation	-	-	89,000	-	-	-	89,000	-	89,000
Increase in investment in subsidiaries	-	-	-	(33,143,942)	4,159,025	-	(28,984,917)	17,356,817	(11,628,100)
Change in foreign currency translation	-	-	-	-	(684,942)	-	(684,942)	85,951	(598,991)
Net loss	-	-	-	-	-	14,766,323	14,766,323	7,367,514	22,133,837
Balance as at December 31, 2020	37,673,374	720,849	$ 200,471,881	$ 34,018,883	$ 12,485,008	$ (368,875,463)	$ (121,899,691)	$ (627,818)	$ (122,527,509)
Balance, January 1, 2021	37,673,374	720,849	$ 200,471,881	$ 34,018,883	$ 12,485,008	$ (368,875,463)	$ (121,899,691)	$ (627,818)	$ (122,527,509)
Share-based compensation (Note 12)	-	-	72,663	-	-	-	72,663	-	72,663
Change in foreign currency translation	-	-	-	-	1,026,958	-	1,026,958	8,219	1,035,177
Net loss (Note 19)	-	-	-	-	-	(8,328,241)	(8,328,241)	(58,694)	(8,386,935)
Balance as at June 30, 2021	37,673,374	720,849	$ 200,544,544	$ 34,018,883	$ 13,511,966	$ (377,203,704)	$ (129,128,311)	$ (678,293)	$ (129,806,604)

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, 2021 and 2020
(Unaudited – Expressed in Canadian Dollars)

	Three months ended June 30		Six months ended June 30	
	2021	**2020**	**2021**	**2020**
Cash Flows From Operating Activities				
Net loss	$ (4,496,613)	$ 15,761,031	$ (8,356,785)	$ 5,950,201
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation of property, plant and equipment and right-of-use assets	356,107	874,048	723,144	1,382,227
Share-based compensation (Note 12)	28,163	121,265	72,663	270,706
Inventory provision	(21,507)	(19,666)	(9,190)	(84,169)
Interest expense - lease liabilities	17,458	23,785	36,598	48,992
Gain on debt forgiveness	-	(17,417,034)	-	(17,417,034)
Unrealized foreign exchange (gain)/loss	(379,574)	(3,234,281)	(1,055,536)	218,993
Changes in non-cash working capital items (Note 14)	4,413,481	(786,452)	8,843,316	5,496,377
Net cash from operating activities	(82,485)	(4,677,304)	254,210	(4,133,707)
Cash Flows From Investing Activities				
Deposit received on PPE disposal	-	1,455,000	-	1,455,000
Deposit received on sale of subsidiary	-	24,659,185	-	32,357,260
Purchase of property, plant and equipment	(6,744)	(3,474)	(8,820)	(3,474)
Net cash from (used in) investing activities	(6,744)	26,110,711	(8,820)	33,808,786
Cash Flows From Financing Activities				
Issuance of short-term loans	-	16,500	-	2,134,000
Repayment of short-term loans	(78,200)	(18,540,006)	(117,300)	(18,588,131)
Repayment of lease liabilities	(59,075)	(59,075)	(118,150)	(118,075)
Advances from related parties	127,075	213,400	127,075	213,400
Repayment to related parties	(137,771)	(201,651)	(264,846)	(449,055)
Interest paid	(12,952)	(78,268)	(26,321)	(2,212,887)
Net cash used in financing activities	(160,923)	(18,649,100)	(399,542)	(19,020,748)
Effect of exchange rate changes on cash	23,342	(389,827)	(9,707)	(58,352)
Net Change In Cash and Cash Equivalents	(226,810)	2,394,480	(163,859)	10,595,979
Cash and cash equivalents, beginning of the period	618,914	8,407,161	555,963	205,662
Cash and cash equivalents, end of the period	$ 392,104	$ 10,801,641	$ 392,104	$ 10,801,641

See Accompanying Notes to the Condensed Interim Consolidated Financial Statements
Supplemental Cash Flow Information (Note 14)

1. NATURE OF OPERATIONS

GLG Life Tech Corporation (the "Company") was incorporated under the *Business Corporation 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 condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2020, which include information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies, use of judgments and estimates were presented in notes 4 and 5, respectively, of those consolidated financial statements, and have been consistently applied in the preparation of these condensed interim consolidated financial statements.

Basis of preparation and measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. Additionally, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

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 six months ended June 30, 2021, were authorized for issue by the Audit Committee on behalf of the Board of Directors on August 10, 2021.

3. GOING CONCERN

These unaudited condensed interim 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, 2021, the Company incurred net loss attributed to the Company's shareholders of $8,328,241 (2020 - $1,760,390 net income). As at June 30, 2021, the Company had an accumulated deficit of $377,203,704 (December 31, 2020 - $368,875,463), working capital deficiency of $147,004,758 (December 31, 2020 - $140,929,766) and cash inflow from operating activities of $254,210 (2020 – cash outflow $4,133,707).

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 the Company's products and consequently could have a material adverse effect on its 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 recently enacted 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 typically experienced in more developed legal systems. These uncertainties may impede the Company's ability to enforce the contracts it has 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, 2021, and December 31, 2020, substantially all bank loans were held by a state-owned capital management company ("SOCMC") and a Chinese bank. The Company has provided its SOCMC and bank guarantees and collateral agreements which could enable the SOCMC to exercise its rights against the Company's assets, because the Company has not made its principal or interest payments to the SOCMC on time. Should the SOCMC exercise its 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, neither the SOCMC nor the bank have taken any action on the Company's pledged assets to date. On April 16, 2020, the Company entered into debt restructuring agreements with the SOCMC (see Note 9).

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.

(Unaudited – Expressed in Canadian Dollars)

3. GOING CONCERN, continued

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, 2021, and December 31, 2020, as the Company did not consider an unfavorable 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

Statement of compliance and application of new International Financial Reporting Standards

The unaudited condensed interim consolidated 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, 2020. The 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, 2020.

COVID-19

The global impact of COVID-19 has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally. The Company has implemented the pandemic-related procedures and protocols at its facilities, including enhanced screening measures, cleaning and sanitation on processes and frequency, encouraging social distancing measures and directing employees to work from home if possible. The impact of COVID-19 cannot be reasonably estimated and cannot be predicted at this time. However, this outbreak may affect the Company, its suppliers, distribution channels or customers, including the manufacturing were shut down temporarily.

5. ACCOUNTS RECEIVABLE

The aging analysis of trade receivables is as follows:

			Past due but not impaired		
	Total	Neither past due nor impaired	<90 days	91-180 days	>180 days
June 30, 2021	$ 1,505,167	$ 1,476,176	$ 27,691	$ 463	$ 837
December 31, 2020	$ 1,690,563	$ 1,234,112	$ 455,294	$ 327	$ 830

(Unaudited – Expressed in Canadian Dollars)

6. INVENTORY

		June 30, 2021		December 31, 2020
Raw materials	$	589,975	$	646,910
Work in progress		625,585		764,877
Finished goods		2,207,467		2,232,380
	$	3,423,027	$	3,644,167

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

For the six months ended June 30, 2021, the Company recorded an inventory provision of $9,190 (2020 provision recovery - $84,169).

The carrying amounts of inventory have been pledged as general collateral for the loans from the SOCMC and a bank.

(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, 2019	$ 1,955,976	$ 15,500,812	$ 41,278,775	$ 4,587,760	$ 240,711	$ 455,427	$ 241,591	$ 64,261,052
Additions	-	3,097	-	-	2,387	-	-	5,484
Government grant		(38,658)						(38,658)
Subsidiary disposal	-	-	(23,078,479)	(3,199,651)	-	(69,461)	-	(26,347,591)
Foreign currency adjustments	338,831	1,037,368	2,961,632	204,856	8,126	17,355	10,881	4,579,049
As at December 31, 2020	$ 2,294,807	$ 16,502,619	$ 21,161,928	$ 1,592,965	$ 251,224	$ 403,321	$ 252,472	$ 42,459,336
Additions	-	2,047	-	-	6,773	-	-	8,820
Foreign currency adjustments	(121,011)	(369,982)	(703,198)	(23,912)	(2,968)	(5,190)	(3,886)	(1,230,147)
As at June 30, 2021	$ 2,173,796	$ 16,134,684	$ 20,458,730	$ 1,569,053	$ 255,029	$ 398,131	$ 248,586	$ 41,238,009
Accumulated depreciation								
As at December 31, 2019	$ 1,928,642	$ 12,755,155	$ 19,245,598	$ 1,061,508	$ 216,703	$ 398,097	$ 241,591	$ 35,847,294
Depreciation	28,492	246,926	1,309,259	72,654	7,757	12,823	-	1,677,911
Subsidiary disposal	-	-	(15,295,542)	(775,975)	-	(62,515)	-	(16,134,032)
Foreign currency adjustments	337,673	869,539	1,481,090	47,170	7,378	15,070	10,881	2,768,801
As at December 31, 2020	$ 2,294,807	$ 13,871,620	$ 6,740,405	$ 405,357	$ 231,838	$ 363,475	$ 252,472	$ 24,159,974
Depreciation	-	112,968	502,600	17,989	1,758	3,864	-	639,179
Foreign currency adjustments	(121,011)	(314,894)	(239,255)	(5,958)	(2,685)	(4,609)	(3,886)	(692,298)
As at June 30, 2021	$ 2,173,796	$ 13,669,694	$ 7,003,750	$ 417,388	$ 230,911	$ 362,730	$ 248,586	$ 24,106,855
Net book value								
As at December 31, 2020	$ -	$ 2,630,999	$ 14,421,523	$ 1,187,608	$ 19,386	$ 39,846	$ -	$ 18,299,362
As at June 30, 2021	$ -	$ 2,464,990	$ 13,454,980	$ 1,151,665	$ 24,118	$ 35,401	$ -	$ 17,131,154

The carrying amounts of property, plant and equipment have been pledged as general collateral for the credit facilities available to the Chinese subsidiaries (Note 9).

(Unaudited – Expressed in Canadian Dollars)

7. PROPERTY, PLANT AND EQUIPMENT, continued

Land use rights in China have remaining terms ranging from 37.7 to 37.8 years.

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

	Six months ended June 30 2021	2020
Cost of sales	$ 264,798	$ 510,700
Selling, general and administrative expenses	474,930	787,564
	$ 739,728	$ 1,298,264

8. RIGHT-OF-USE ASSETS

	Office	Land	Production equipment	Total
Cost				
December 31, 2019	$ 491,766	$ 44,328	$ 228,545	764,639
				-
As at December 31, 2020	491,766	44,328	228,545	764,639
As at June 30, 2021	491,766	44,328	228,545	764,639
Accumulated depreciation				
As at December 31, 2019	88,078	3,670	76,182	167,930
Depreciation expense	88,077	3,670	76,181	167,928
As at December 31, 2020	176,155	7,340	152,363	335,858
Depreciation expense	44,039	1,835	38,091	83,965
As at June 30, 2021	220,194	9,175	190,454	419,823
Net book value - December 31, 2020	315,611	36,988	76,182	428,781
Net book value - June 30, 2021	$ 271,572	$ 35,153	$ 38,091	$ 344,816

(Unaudited – Expressed in Canadian Dollars)

9. SHORT-TERM LOANS

The Company's short-term loans of $48,245,453 (December 31, 2020 - $49,127,718) consist of borrowings from a SOCMC and a bank in China of $47,291,974 (December 31, 2020 - $48,148,236) and loans from private lenders of $953,479 (December 31, 2020 - $979,482) as follows:

Bank loans as at June 30, 2021:

Loan amount in CAD	Loan amount in RMB	Maturity Date	Interest rate per annum	Lender
$ 575,700	3,000,000	On Demand	11.57%	China Cinda Assets Management Anhui Branch
5,373,200	28,000,000	On Demand	11.57%	China Cinda Assets Management Anhui Branch
1,919,000	10,000,000	On Demand	11.57%	China Cinda Assets Management Anhui Branch
1,876,782	9,780,000	On Demand	11.57%	China Cinda Assets Management Anhui Branch
9,896,608	51,571,696	On Demand	10.22%	China Cinda Assets Management Anhui Branch
15,352,000	80,000,000	On Demand	10.22%	China Cinda Assets Management Anhui Branch
3,350,090	17,457,477	On Demand	10.82%	China Cinda Assets Management Anhui Branch
8,160	42,523	On Demand	10.82%	China Cinda Assets Management Anhui Branch
786,790	4,100,000	July 27, 2021	5.82%	Huishang Bank
5,757,000	30,000,000	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
2,396,644	12,489,025	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
$ 47,291,974	246,440,721			

During the six months ended June 30, 2021, the Company repaid RMB 600,000 or $117,300 bank loan pursuant to the signed loan agreement with the local bank.

The Company entered into a number of restructuring agreements with its SOCMC lender in April 2020 for the loan settlement. The Company did not make two scheduled payments to the SOCMC that were due under the payment schedule of the restructuring agreement in 2020; as a result, the contingent debt forgiveness was cancelled, and the restructuring agreement was suspended. The Company is negotiating a new debt settlement negotiation with the SOCMC, as well as a Chinese bank, on restructuring its debt.

The assets of the Company's subsidiaries including inventory and property, plant and equipment have been pledged as collateral for these loans (see Notes 6 and 7).

(Unaudited – Expressed in Canadian Dollars)

9. SHORT-TERM LOANS, continued

Bank loans as at December 31, 2020:

Loan amount in CAD	Loan amount in RMB	Maturity Date	Interest rate per annum	Lender
584,700	3,000,000	On Demand	11.57%	China Cinda Assets Management Anhui Branch
5,457,200	28,000,000	On Demand	11.57%	China Cinda Assets Management Anhui Branch
1,949,000	10,000,000	On Demand	11.57%	China Cinda Assets Management Anhui Branch
1,906,122	9,780,000	On Demand	11.57%	China Cinda Assets Management Anhui Branch
10,051,323	51,571,696	On Demand	10.22%	China Cinda Assets Management Anhui Branch
15,592,000	80,000,000	On Demand	10.22%	China Cinda Assets Management Anhui Branch
3,402,462	17,457,477	On Demand	10.82%	China Cinda Assets Management Anhui Branch
8,288	42,523	On Demand	10.82%	China Cinda Assets Management Anhui Branch
916,030	4,700,000	July 27, 2021	5.82%	Huishang Bank
5,847,000	30,000,000	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
2,434,111	12,489,025	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
$ 48,148,236	$ 247,040,721			

Short-term borrowing from private lenders:

December 31, 2019	$	1,139,051
Advances		2,138,400
(Repayments)		(2,284,200)
Foreign currency translation		(13,769)
December 31, 2020	$	979,482
Advances / (Repayments)		-
Foreign currency translation		(26,003)
June 30, 2021	$	953,479

As at June 30, 2021, short-term borrowing from private lenders consisted of one US dollar denominated loan. The US dollar loan is unsecured and bears interest at 11.50% per annum, compounding quarterly. The loan is due on demand.

(Unaudited – Expressed in Canadian Dollars)

10. RELATED PARTIES TRANSACTIONS AND BALANCES

a) Amount due to related parties

Amounts due to related parties are summarized as follows:

	Note		June 30, 2021		December 31, 2020
Loans from Chief Executive Officer ("CEO")		$	8,604,747	$	8,318,129
Loans from direct family member of CEO			34,580,724		32,584,980
	i)		43,185,471		40,903,109
Consulting fees payable to CEO	ii)		3,129,840		3,167,892
Loan from Director of the Company	iii)		900,000		1,037,500
		$	47,215,311	$	45,108,501

(Unaudited – Expressed in Canadian Dollars)

10. RELATED PARTIES TRANSACTIONS AND BALANCES, continued

a) Amount due to related parties, continued

The loans from the CEO and close family member are summarized as follows:

Loan balance as of June 30, 2021

	Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
	$ 619,762	April 27, 2012	On demand	Unsecured	Category 1	Chairman and CEO
	1,239,400	October 11, 2012	On demand	Unsecured	Category 1	Chairman and CEO
	619,700	May 30, 2013	On demand	Unsecured	Category 1	Chairman and CEO
	309,850	November 15, 2013	On demand	Unsecured	Category 1	Chairman and CEO
	818,226	October 20, 2014	On demand	Unsecured	Category 2	Direct family member of CEO
	179,713	May 23, 2017	On demand	Unsecured	Category 2	Direct family member of CEO
	2,305,284	August 7, 2018	On demand	Unsecured	Category 3	Direct family member of CEO
	959,500	May 6, 2020	June 30, 2021	Unsecured	Category 4	Direct family member of CEO
	168,872	November 9, 2020	November 9, 2021	Unsecured	Category 5	Direct family member of CEO
Principal	**$ 7,220,307**					
Accrued interest	**35,965,164**					
	$ 43,185,471					

Category 1: US 10 year benchmark government bond rate plus 1100 basis points annual interest rate for loans issued in USD or
China 10 year benchmark government bond rate plus 1100 basis points annual interest rate for loans issued in RMB, compounding quarterly
Category 2: 20% annual interest rate, compounding quarterly
Category 3: 18% annual interest rate, compounding quarterly
Category 4: 20% simple interest
Category 5: 18% simple interest

Loan balance as of December 31, 2020

	Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
	$ 636,664	April 27, 2012	On demand	Unsecured	Category 1	Chairman and CEO
	1,273,200	October 11, 2012	On demand	Unsecured	Category 1	Chairman and CEO
	636,600	May 30, 2013	On demand	Unsecured	Category 1	Chairman and CEO
	318,300	November 15, 2013	On demand	Unsecured	Category 1	Chairman and CEO
	878,508	October 20, 2014	On demand	Unsecured	Category 2	Direct family member of CEO
	184,614	May 23, 2017	On demand	Unsecured	Category 2	Direct family member of CEO
	2,368,152	August 7, 2018	On demand	Unsecured	Category 3	Direct family member of CEO
	974,500	May 6, 2020	June 30, 2021	Unsecured	Category 4	Direct family member of CEO
	171,512	November 9, 2020	November 9, 2021	Unsecured	Category 5	Direct family member of CEO
Principal	**$ 7,442,050**					
Accrued interest	**33,461,059**					
	$ 40,903,109					

Category 1: US 10 year benchmark government bond rate plus 1100 basis points annual interest rate for loans issued in USD or
China 10 year benchmark government bond rate plus 1100 basis points annual interest rate for loans issued in RMB, compounding quarterly
Category 2: 20% annual interest rate, compounding quarterly
Category 3: 18% annual interest rate, compounding quarterly
Category 4: 20% simple interest
Category 5: 18% simple interest

(Unaudited – Expressed in Canadian Dollars)

10. RELATED PARTIES TRANSACTIONS AND BALANCES, continued

a) Amount due to related parties, continued

i. The Company obtained loans under numerous credit facility agreements from the Company's Chairman and CEO. As at June 30, 2021, the total amount owed to the CEO under these facilities, including principal and accumulated interest is $8,604,747 (December 31, 2020 - $8,318,129). As at June 30, 2021, the entire balance owed is due within 12 months and is therefore classified as current on the statement of financial position.

The Company also obtained loans under numerous credit facility agreements from a direct family member of the CEO. As at June 30, 2021, the total amount owed under these facilities, including principal and accumulated interest is $34,580,724 (December 31, 2020 - $32,584,980). As at June 30, 2021, the entire balance owed is due within 12 months and is therefore classified as current on the statement of financial position.

The combined total of the above loans, including the accrued interest, is $43,185,471 (December 31, 2020 - $40,903,109). 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 either USD or RMB, depending on the terms of the specific credit facility. The terms of each individual loan are disclosed in the table above.

Some of these loans provide a repayment option to the lenders in either RMB or USD using a fixed foreign exchange rate specified in each credit facility. This option results in a liability of $319,120 (December 31, 2020 - $372,340), which is comprised of a derivative liability and an unrealized foreign exchange loss. The fair value of the derivative liability was calculated using the Black-Scholes model with the following assumptions:

	June 30, 2021	**December 31, 2020**
Risk free interest	0.12%	0.32%
Expected life of the loan	1 year	1 year
Expected foreign currency volatility	3.42%	3.76%

ii. As of June 30, 2021, the Company has accrued $3,129,840 (December 31, 2020 - $3,167,892), including 3% interest per annum compounding quarterly, in consulting fees to the Company's Chairman and CEO.

iii. As of June 30, 2021, the Company has a loan of $900,000 (December 31, 2020 - $1,037,500 including unpaid interest $37,500) from a Director of the Company originally borrowed to provide working capital required for Monk Fruit extracts. The loan has been renewed in June 2021 for one year, bearing interest at 15% per annum and repayable in full on March 31, 2022.

(Unaudited – Expressed in Canadian Dollars)

10. RELATED PARTIES TRANSACTIONS AND BALANCES, continued

b) 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 directors of the Company.

Remuneration of key management personnel of the Company is comprised of the following amounts:

		Six months ended June 30		
		2021		2020
Short-term employee benefits (including salaries, bonuses and fees)	$	347,251	$	692,297
Share-based benefits	$	72,663	$	270,706
Total remuneration	$	419,914	$	963,003

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 equal to 36 months of gross salary, totaling approximately $1,722,000.

Key management did not exercise stock options granted under the Company's stock option plan in the six months ended June 30, 2021.

(Unaudited – Expressed in Canadian Dollars)

11. LEASE LIABILITIES

	Office	Land	Production equipment	Total
At December 31, 2019	$ 433,599	$ 43,593	$ 165,501	$ 642,693
Lease payments made	(128,040)	(9,034)	(99,149)	(236,223)
Interest expense on lease liabilities	60,523	7,750	23,772	92,045
	366,082	42,309	90,124	498,515
Less: current portion	(80,857)	(1,648)	(90,124)	(172,629)
Non-current portion as at December 31, 2020	$ 285,225	$ 40,661	$ -	$ 325,886

	Office	Land	Production equipment	Total
At December 31, 2020	$ 366,082	$ 42,309	$ 90,124	$ 498,515
Lease payments made	(64,020)	(4,555)	(49,575)	(118,150)
Interest expense on lease liabilities	26,294	3,779	6,525	36,598
	328,356	41,533	47,074	416,963
Less: current portion	(90,116)	(1,957)	(47,074)	(139,147)
Non-current portion as at June 30, 2021	$ 238,240	$ 39,576	$ -	$ 277,816

12. SHARE CAPITAL

a) Common shares

An unlimited number of common shares are authorized with no par value. The holders of common shares are entitled to one vote per share. As at June 30, 2021, there are 38,394,223 common and restricted shares issued and outstanding with no par value.

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)

12. SHARE CAPITAL, continued

b) Share-based payments, continued

ii) Stock options

Under the Plan, options granted are non-assignable and the number of common shares available for issue is a maximum of 10% of the issued and outstanding common shares of the Company, inclusive of any restricted shares granted under the Plan. The maximum term of an option is five years after the date of grant. The exercise price may not be less than the closing price of the Company's shares on the last business day immediately preceding the date of grant options, and options have a vesting period from 1 year to 3 years.

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

A continuity of stock options is as follows:

	Stock Options	Weighted Average Exercise Price
Balance as at December 31, 2019	622,000	$ 0.38
Expired/cancelled/forfeited	(622,000)	0.38
Balance as at December 31, 2020 and June 30, 2021	-	$ -

(Unaudited – Expressed in Canadian Dollars)

12. SHARE CAPITAL, continued

b) Share-based payments, continued

iii) Restricted shares

The Company recorded share-based payments in the amount of $72,663 (2020 - $270,706), which 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, 2019	720,849
Vested	(520,849)
Expired/cancelled/forfeited	-
Balance as at December 31, 2020	200,000
Vested	-
Expired/cancelled/forfeited	(200,000)
Balance as at June 30, 2021	-

The vesting periods for restricted shares into unrestricted common shares as at June 30, 2021 are as follows:

Number of restricted shares as at June 30, 2021	Vesting period (years)	Performance based
None	-	-

13. NON-CONTROLLING INTEREST

During the year ended December 31, 2017, the Company disposed of 32.92% of its ownership in Anhui Runhai Biotechnology Joint Stock Co. Ltd. (“Runhai”) to certain related parties and a private lender in order to settle $15,971,767 (RMB 80,584,090) in related party loans and short-term loans. Accordingly, the Company de-recognized the derivative liabilities related to this portion of the loans totaling $274,538. The reduction in the Company’s ownership interest in Runhai did not result in a loss of control and was recorded as an equity transaction. In connection with the recognition of non-controlling interest, the proportionate share of the cumulative amount of foreign exchange translation differences recognized in other comprehensive income totaling $3,649,111 was re-attributed to the non-controlling interest in Runhai. In addition, the Company incurred transaction costs totaling $563,154 and this amount was deducted from equity.

On June 1, 2018, the Company transferred its 100% ownership interest in its subsidiary Qingdao Runde Biotechnology Company, Ltd. (“Runde”) to Runhai. As the Company had a 67.08% interest in Runhai, the effect of this transfer was a disposition of 32.92% of its ownership interest in Runde. The reduction in the Company’s ownership interest in Runhai did not result in a loss of control and was recorded as an equity transaction. As a result of this transaction, Runhai has sole ownership of all other China subsidiaries and the Company continued to own 67.08% of Runhai. The carrying amount of non-controlling interests was adjusted to reflect the change in the non-controlling interests’ relative interests in the subsidiary and the difference between the adjustments to the carrying amount of non-controlling interests and the Company’s share of proceeds received and/or consideration paid is recognized directly in equity and attributed to shareholders of the Company.

On July 31, 2020, the Company repurchased of 31.77% of its ownership in Runhai from certain related parties for payment of RMB 60,500,000 pursuant to the right held by the non-controlling interest to require the Company to buy out all or part of the shares. The Company’s ownership interest in Runhai increased to 98.85% from 67.08%, The non-controlling interest in Runhai is reduced to 1.15%. The ownership change was recorded as an equity transaction.

(Unaudited – Expressed in Canadian Dollars)

13. NON-CONTROLLING INTEREST, continued

The following table summarizes the consolidated assets and liabilities of Runhai and the share of the net liabilities which are attributable to the non-controlling interest as at June 30, 2021, and December 31, 2020:

		June 30, 2021		December 31, 2020
ASSETS				
Current	$	3,386,488	$	3,864,955
Non-current		17,188,555		18,391,937
	$	20,575,043	$	22,256,892
LIABILITIES				
Current	$	89,398,762	$	88,174,324
	$	89,398,762	$	88,174,324
Net liabilities	$	(68,823,719)	$	(65,917,432)
Non-controlling interest percentage *		1.15%		1.15%
Non-controlling interest in net liabilities	$	(678,293)	$	(627,818)

* Non-controlling interest shares was changed from 32.92% to 1.15% in 2020.

14. SUPPLEMENTAL CASH FLOW INFORMATION

Supplementary cash flow information is as follows:

		Three months ended June 30				**Six months ended June 30**		
		2021		**2020**		**2021**		**2020**
Accounts receivable	$	(62,970)	$	(1,369,417)	$	141,974	$	(847,710)
Taxes recoverable		(67,299)		(11,108)		(82,063)		(58,934)
Inventory		(362,878)		1,260,604		185,542		722,547
Prepaid expenses		(122,009)		14,596		(178,490)		44,629
Accounts payable and accruals		577,664		(2,342,507)		134,481		(642,991)
Interest payable		2,791,073		44,299		5,443,230		3,078,486
Due to related parties (current)		1,659,900		1,617,081		3,198,642		3,200,350
Changes in non-cash working capital items	$	4,413,481	$	(786,452)	$	8,843,316	$	5,496,377
Interest paid	$	12,952	$	78,268	$	26,321	$	2,212,887

(Unaudited – Expressed in Canadian Dollars)

15. COST OF SALES AND EXPENSES

	Six months ended June 30	
	2021	**2020**
Cost of sales		
Direct cost of sales	$ 3,601,900	$ 5,733,089
Depreciation and amortization	302,889	548,790
Freight & others	234,138	272,008
Total	$ 4,138,927	$ 6,553,887
Selling, general and administrative (SG&A) expenses		
Direct SG&A expenses	$ 1,765,582	$ 2,996,927
Depreciation and amortization	520,804	833,437
Total	$ 2,286,386	$ 3,830,364
Supplementary information:		
Salaries and wages	$ 582,146	$ 1,222,126

(Unaudited – Expressed in Canadian Dollars)

16. LOSS PER SHARE

The following table sets forth the calculation of the basic and diluted loss per share for the six months ended June 30, 2021 and 2020:

	Three months ended June 30		Six months ended June 30	
	2021	**2020**	**2021**	**2020**
Numerator:				
Net loss after tax	$ (4,496,613)	$ 10,437,936	$ (8,328,241)	$ 1,760,390
Denominator:				
Weighted average number of shares outstanding - basic	38,394,223	38,394,223	38,394,223	38,394,223
Weighted average number of shares outstanding - diluted	38,394,223	38,394,223	38,394,223	38,394,223
Loss per share - basic	$ (0.12)	$ 0.27	$ (0.22)	$ 0.05
Loss per share - diluted	$ (0.12)	$ 0.27	$ (0.22)	$ 0.05

The total number of anti-dilutive options excluded from the calculation for the six months ended June 30, 2021 was nil (2020 – nil).

17. SEGMENT INFORMATION

The Company's business operates primarily through the Natural Sweeteners Products segment. The Natural Sweeteners Products segment is the manufacturing and sales of refined forms of stevia and monk fruit, which has operations in China and North America.

The Company's chief operating decision makers are the CEO, the Chief Operating Officer and Chief Financial Officer. They review the operations and performance of the Company.

Revenue to external customers by geographical location is as follows:

	Three months ended June 30		Six months ended June 30	
	2021	**2020**	**2021**	**2020**
China	$ 123,822	$ 276,114	$ 197,702	$ 449,215
North America & others	2,402,295	5,699,243	5,581,955	8,091,256
	$ 2,526,117	$ 5,975,357	$ 5,779,657	$ 8,540,471

During the six months ended June 30, 2021, two customers of the Natural Sweeteners CGU represented 50% of total consolidated revenue (2020 – 62%).

(Unaudited – Expressed in Canadian Dollars)

18. COMMITMENTS

a) Operating leases

Future minimum lease payments for the lease of right-of-use assets as described in Notes 8 and 11 are as follows:

	June 30, 2021	December 31, 2020
Less than one year	$ 192,233	$ 238,749
Between one and five years	312,291	380,801
More than five years	69,842	72,966
Total	$ 574,366	$ 692,516

b) Related party loan

There will be $100,000 principal to be repaid by December 31, 2021 to the related party according to the loan renewal agreement in June 2021.

19. SUBSEQUENT EVENTS

The Company renewed a bank loan with the principal of RMB4,100,000 or $786,790 for one year in China in August 2021. The renewal loan will be expired on July 22, 2022, at an annual interest rate of 5.82%. There will be RMB600,000 or $115,140 loan principal to be repaid before the expiration date.