GLG LIFE TECH CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended September 30, 2023

(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 September 30, 2023 and December 31, 2022
(Unaudited – Expressed in Canadian Dollars)

	Note		September 30, 2023		December 31, 2022
ASSETS					
Current Assets					
Cash		$	412,499	$	244,671
Accounts receivable	5		2,105,837		2,843,125
Sales taxes recoverable			729,555		798,435
Inventory	6		2,556,784		2,227,032
Prepaid expenses			721,215		444,851
Net investment in sublease - current portion	9		105,444		116,533
Total Current Assets			6,631,334		6,674,647
Restricted cash	7		16,090		75,260
Property, plant and equipment	8		13,890,123		15,992,990
Right-of-use assets	9		390,809		129,368
Net investment in sublease	9		-		74,945
Total Assets		$	20,928,356	$	22,947,210
LIABILITIES AND DEFICIT					
Current Liabilities					
Term loans - current portion	10	$	45,250,049	$	47,728,524
Interest payable	10		77,284,997		71,512,554
Other loans payable - current portion	11		55,201,857		50,923,670
Accounts payable and accruals			16,139,584		16,549,931
Advance from customers			145,716		10,293
Due to related parties	12		17,291,459		15,937,777
Lease liabilities - current portion	13		199,465		152,269
Total Current Liabilities			211,513,127		202,815,018
Term loans	10		240,760		490,750
Other long-term liabilities			-		124,826
Lease Liabilities	13		327,641		177,089
Total Long-Term Liabilities			568,401		792,665
Total Liabilities			212,081,528		203,607,683
DEFICIT					
Shareholders' Deficiency					
Share capital	14		200,544,544		200,544,544
Contributed surplus			34,018,883		34,018,883
Accumulated other comprehensive income			17,703,567		11,470,363
Accumulated deficit			(442,257,806)		(425,630,939)
Total Shareholders' Deficiency Attributable to Shareholders of GLG			(189,990,812)		(179,597,149)
Non-controlling Interest	15		(1,162,360)		(1,063,324)
Total Deficit			(191,153,172)		(180,660,473)
Total Liabilities and Deficit		$	20,928,356	$	22,947,210

Going Concern (Note 3)

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 September 30, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

	Note	Three months ended September 30 2023	Three months ended September 30 2022	Nine months ended September 30 2023	Nine months ended September 30 2022
REVENUE	19	$ 2,387,174	$ 2,370,455	$ 5,948,229	$ 7,884,948
COST OF SALES	17	(1,591,164)	(1,600,461)	(4,109,185)	(5,430,346)
GROSS PROFIT		796,010	769,994	1,839,044	2,454,602
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	17	(957,839)	(985,767)	(3,010,092)	(3,100,272)
OTHER INCOME (EXPENSES)					
Interest expense	10	(6,255,948)	(5,288,882)	(17,751,116)	(15,578,411)
Interest income		26	5,698	107	5,822
Inventory recovery	6	840	10,464	36,252	215,876
Foreign exchange gain (loss)		(1,095,571)	(1,948,932)	2,581,373	(1,049,041)
Other (expenses) income		(113,453)	(111,204)	(491,112)	(263,760)
Bad debt recovery (expenses)		(12)	(1,787)	732	(1,257)
		(7,464,118)	(7,334,643)	(15,623,764)	(16,670,771)
NET LOSS FOR THE PERIOD		(7,625,947)	(7,550,416)	(16,794,812)	(17,316,441)
NET LOSS ATTRIBUTABLE TO					
Shareholders of GLG		(7,536,402)	(7,521,931)	(16,626,867)	(17,223,858)
Non-controlling interest		(89,545)	(28,485)	(167,945)	(92,583)
Net Loss for the period		$ (7,625,947)	$ (7,550,416)	$ (16,794,812)	$ (17,316,441)
Item that will be reclassified subsequently to profit or loss					
Foreign currency translation adjustment		(1,226,531)	(31,674)	6,302,113	2,707,613
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		$ (8,852,478)	$ (7,582,090)	$ (10,492,699)	$ (14,608,828)
Total other comprehensive income (loss) attributable to:					
Shareholders of GLG		(1,211,647)	(31,808)	6,233,204	2,675,571
Non-controlling		(14,884)	134	68,909	32,042
		$ (1,226,531)	$ (31,674)	$ 6,302,113	$ 2,707,613
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:					
Shareholders of GLG		(8,748,049)	(7,553,739)	(10,393,663)	(14,548,287)
Non-controlling interest		(104,429)	(28,351)	(99,036)	(60,541)
		$ (8,852,478)	$ (7,582,090)	$ (10,492,699)	$ (14,608,828)
LOSS PER SHARE					
Basic and diluted	18	$ (0.20)	$ (0.20)	$ (0.43)	$ (0.45)
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 September 30, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

	Number of Common Shares	Number of Restricted Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Accumulated Deficit	Total GLG Shareholders' Deficiency	Non-controlling Interest	Total Deficit
Balance, January 1, 2022	38,394,223	-	$ 200,544,544	$ 34,018,883	$ 10,867,763	$ (392,579,670)	$ (147,148,480)	$ (815,529)	$ (147,964,009)
Change in foreign currency translation	-	-	-	-	2,675,571	-	2,675,571	32,042	2,707,613
Net income	-	-	-	-	-	(17,223,858)	(17,223,858)	(92,583)	(17,316,441)
Balance as at September 30, 2022	38,394,223	-	$ 200,544,544	$ 34,018,883	$ 13,543,334	$ (409,803,528)	$ (161,696,767)	$ (876,070)	$ (162,572,837)
Balance, October 1, 2022	38,394,223	-	$ 200,544,544	- 34,018,883	$ 13,543,334	$ (409,803,528)	$ (161,696,767)	$ (876,070)	$ (162,572,837)
Change in foreign currency translation	-	-	-	-	(2,072,971)	-	(2,072,971)	(22,128)	(2,095,099)
Net income	-	-	-	-	-	(15,827,411)	(15,827,411)	(165,126)	(15,992,537)
Balance as at December 31, 2022	38,394,223	-	$ 200,544,544	$ 34,018,883	$ 11,470,363	$ (425,630,939)	$ (179,597,149)	$ (1,063,324)	$ (180,660,473)
Balance, January 1, 2023	38,394,223	-	$ 200,544,544	$ 34,018,883	$ 11,470,363	$ (425,630,939)	$ (179,597,149)	$ (1,063,324)	$ (180,660,473)
Change in foreign currency translation	-	-	-	-	6,233,204	-	6,233,204	68,909	6,302,113
Net loss	-	-	-	-	-	(16,626,867)	(16,626,867)	(167,945)	(16,794,812)
Balance as at September 30, 2023	38,394,223	-	$ 200,544,544	$ 34,018,883	$ 17,703,567	$ (442,257,806)	$ (189,990,812)	$ (1,162,360)	$ (191,153,172)

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 September 30, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

	Note	Three months ended September 30 2023	Three months ended September 30 2022	Nine months ended September 30 2023	Nine months ended September 30 2022
Cash Flows From Operating Activities					
Net Loss		$ (7,536,402)	$ (7,521,931)	$ (16,668,032)	$ (17,389,752)
Adjustments to reconcile net loss to net cash provided by operating activities:					
Depreciation of property, plant and equipment and right-of-use assets	8 & 9	311,150	334,090	995,099	1,062,921
Loss on disposal of property, plant and equipment and right-of-use assets		-	(104,118)	-	(43,014)
Inventory provision (recovery)	6	-	(10,464)	(35,412)	(215,876)
Bad debt provision (recovery)		(10)	1,257	(708)	1,257
Interest expense on lease liabilities, net of finance income from sublease		17,318	9,170	55,076	38,149
Unrealized foreign exchange loss (gain)		587,761	1,840,601	(38,345)	1,593,742
Changes in non-cash working capital items	16	5,543,212	5,600,494	18,263,582	15,985,919
Net cash from operating activities		(1,076,971)	149,099	2,571,260	1,033,346
Cash Flows From Investing Activities					
Purchase of property, plant and equipment		-	(606)	(1,852)	(2,884)
Net cash used in investing activities		-	(606)	(1,852)	(2,884)
Cash Flows From Financing Activities					
Repayment of term loans	10	32	(38,120)	(1,914)	(116,640)
Issuance of long-term loans	11	(1,295,324)	-	-	-
Proceeds from other loans	11	1,973,384	339,418	2,716,814	339,418
Repayment of other loans	11	(849,555)	(313,805)	(2,186,275)	(690,226)
Change of restricted cash		56,831	(56)	56,752	(170)
Repayment of lease liabilities, net of proceeds from sublease	13 & 18	(36,849)	(55,202)	(115,105)	(35,115)
Interest paid		(33,721)	(3,476)	(119,353)	(26,459)
Net cash from (used in) financing activities		(185,202)	(71,241)	350,919	(529,192)
Effect of exchange rate changes on cash		879,678	(64,677)	(2,752,499)	(487,371)
Net Change In Cash		(382,495)	12,575	167,828	13,899
Cash, beginning of the period		794,994	240,669	244,671	239,345
Cash, end of the period		$ 412,499	$ 253,244	$ 412,499	$ 253,244

See Accompanying Notes to the Condensed Interim Consolidated Financial Statements
Supplemental Cash Flow Information (Note 15)

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 280, 13071 Vanier Place, Richmond, British Columbia V6V 2J1. The Company's shares trade on the Toronto Stock Exchange ("TSX") under the symbol "GLG".

The Company is an 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, 2022, 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, 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 nine months ended September 30, 2023, were authorized for issue by the Audit Committee on behalf of the Board of Directors on November 10, 2023.

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 nine-month period ended September 30, 2023, the Company incurred a net loss attributed to the Company's shareholders of $16,626,867 (2022 - $17,223,858). As at September 30, 2023, the Company had an accumulated deficit of $442,257,806 (December 31, 2022 - $425,630,939), a working capital deficiency of $204,881,793 (December 31, 2022 - $196,140,371) and cash inflow from operating activities of $2,571,260 (2022 – cash outflow of $1,033,346).

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 main manufacturing operations 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 September 30, 2023, and December 31, 2022, substantially all bank loans were held by a state-owned capital management company ("SOCMC") and a Chinese bank. The Company has provided its SOCMC (including Cinda and Xinbao) 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 the additional risk that the Company could be assessed additional interest, compensation for breach of a settlement agreement and penalties. During fiscal year 2021, the Company entered into a debt settlement agreement with the SOCMC for debt held by the Company's subsidiary, Qingdao Runde Biotechnology Company, Ltd. ("Runde"), and a late payment compensation has been assessed for breach of the settlement agreement (Note 10). 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.

(Unaudited – Expressed in Canadian Dollars)

3. GOING CONCERN, continued

The Company also relies heavily on related parties and private lenders for funding and continued operations of the Company. Should the related parties or private lenders 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 or litigation 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 September 30, 2023, and December 31, 2022, as the Company did not consider an unfavorable outcome in any material respects in any 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, 2022. 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, 2022.

a. Basis of consolidation

These consolidated financial statements include the following subsidiaries:

	Jurisdiction of Incorporation	Ownership Interest	2022	Functional Currency
Subsidiaries				
Agricultural High Tech Developments Limited	Marshall Islands	100%	100%	HKD
Anhui Runhai Biotechnology Joint Stock Co., Ltd. ("Runhai")	China	98.85%	98.85%	RMB
Anhui Bengbu HN Stevia High Tech Development Company Limited ("Bengbu")	China	98.85%	98.85%	RMB
Dongtai Runyang Stevia High Tech Company Limited ("Runyang")	China	98.85%	98.85%	RMB
Qingdao Runde Biotechnology Company Limited ("Runde")	China	98.85%	98.85%	RMB
Qingdao Honghongyuan Health Industry Technology Co., Ltd. ("Honghongyuan")	China	0.00%	n.a.	RMB
GLG Life Tech US, Inc.	USA	100%	100%	USD
Intercontinental Cannabis Corporation	Canada	100%	100%	CAD

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

a. Basis of consolidation, continued

Qingdao Honghongyuan Health Industry Technology Co., Ltd. ("HHY") was incorporated in Qingdao, Shangdong province, China, in 2023 and is owned by third-party. In August 2023, Runde signed a five-year lease agreement commencing August 1, 2023, and running through July 31, 2028, to lease Runde facilities to HHY. The annual operating lease fee is $603,752 (RMB 3,260,000); in exchange; HHY is licensed to use the Company's patents and know-how to produce products at the Runde facility for the benefit of the Company. Production by HHY for the Company leverages principally a) the existing production staff at Runde, and/or staff migrated from Runde to HHY, and b) the existing production know-how, including adherence to specific customer requirements and established protocols. The Company will assist HHY in obtaining funding for the Company's orders.

GLG has no ownership of HHY; all of HHY's profit or loss will be allocated to non-controlling interest and accumulated non-controlling interest will be included in the consolidated financial statements during the reporting period.

b. Recent Accounting Pronouncements

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- Clarifying amendment to account for deferred tax on leases and decommissioning obligations (Amendments to IAS 12)

The adoption of the amendments did not have a significant impact on the consolidated interim financial statements.

(Unaudited – Expressed in Canadian Dollars)

5. ACCOUNTS RECEIVABLE

		September 30, 2023		**December 31, 2022**
Accounts receivable	$	3,330,242	$	4,115,032
Allowance for doubtful accounts		(1,224,405)		(1,271,907)
	$	2,105,837	$	2,843,125

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
September 30, 2023	$	2,105,837	$	1,472,606	$	603,922	$	-	$	29,309
December 31, 2022	$	2,843,125	$	2,476,393	$	358,604	$	143	$	7,985

Part of the accounts receivable has been pledged as general collateral for certain loans from a private lender (Ms. Yuen).

(Unaudited – Expressed in Canadian Dollars)

6. INVENTORY

	September 30, 2023	December 31, 2022
Raw materials	$ 680,804	$ 715,320
Work in progress	543,812	547,887
Finished goods	1,332,168	963,825
	$ 2,556,784	$ 2,227,032

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 nine months ended September 30, 2023, the Company recorded an inventory recovery of $36,252 (2022 - $205,412).

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

7. RESTRICTED CASH

	September 30, 2023	December 31, 2022
Restricted cash	$ 16,090	$ 75,260
	$ 16,090	$ 75,260

For the period ended September 30, 2023, the Company has $16,090 or RMB 86,880 in restricted cash (December 31, 2022 – $75,260 or RMB 383,391) that is held by for the vendors including the SOCMC due to non-payment on its short-term loan (Note 10) and the Company's breach of the debt settlement agreement.

(Unaudited – Expressed in Canadian Dollars)

8. PROPERTY, PLANT AND EQUIPMENT

	Ion exchange resin equipment	Manufacturing equipment	Buildings & CIP	Leasehold & land use rights	Computer equipment & software	Motor vehicles & furniture and fixture	Bearer plants	Total
Costs								
As at December 31, 2021	$ 2,480,357	$ 17,088,614	$ 22,272,113	$ 1,629,630	$ 262,736	$ 414,270	$ -	$ 44,147,720
Additions	-	5,157	-	-	7,508	-	-	12,665
Disposal	-	-	-	(39,470)	-	-	-	(39,470)
Transfer	-	35,134	(35,134)	-	-	-	-	-
Foreign currency adjustments	(129,079)	(394,354)	(750,926)	(25,506)	(3,245)	(5,536)	-	(1,308,646)
As at December 31, 2022	$ 2,351,278	$ 16,734,551	$ 21,486,053	$ 1,564,654	$ 266,999	$ 408,734	$ -	$ 42,812,269
Additions	-	-	-	-	1,852	-	-	1,852
Disposal	-	-	-	-	-	-	-	-
Transfer	-	-	(2,606)	-	-	-	-	(2,606)
Foreign currency adjustments	(447,740)	(1,372,250)	(2,600,323)	(88,475)	(11,256)	(19,203)	-	(4,539,247)
As at September 30, 2023	$ 1,903,538	$ 15,362,301	$ 18,883,124	$ 1,476,179	$ 257,595	$ 389,531	$ -	$ 38,272,268
Accumulated depreciation								
As at December 31, 2021	$ 2,480,357	$ 14,576,602	$ 8,351,558	$ 451,437	$ 239,574	$ 376,864	$ -	$ 26,476,392
Depreciation	-	202,187	1,012,602	33,623	3,007	598	-	1,252,017
Disposal	-	-	-	(30,425)	-	-	-	(30,425)
Foreign currency adjustments	(129,079)	(335,963)	(399,479)	(6,343)	(2,860)	(4,981)	-	(878,705)
As at December 31, 2022	$ 2,351,278	$ 14,442,826	$ 8,964,681	$ 448,292	$ 239,721	$ 372,481	$ -	$ 26,819,279
Depreciation	-	(117,804)	1,003,872	23,113	3,099	449	-	912,729
Disposal	-	-	-	-	-	-	-	-
Foreign currency adjustments	(447,740)	(1,193,590)	(1,654,948)	(26,098)	(10,204)	(17,283)	-	(3,349,863)
As at September 30, 2023	$ 1,903,538	$ 13,131,432	$ 8,313,605	$ 445,307	$ 232,616	$ 355,647	$ -	$ 24,382,145
Net book value								
As at December 31, 2022	$ -	$ 2,291,725	$ 12,521,372	$ 1,116,362	$ 27,278	$ 36,253	$ -	$ 15,992,990
As at September 30, 2023	$ -	$ 2,230,869	$ 10,569,519	$ 1,030,872	$ 24,979	$ 33,884	$ -	$ 13,890,123

The carrying amounts of property, plant and equipment have been pledged as general collateral for the credit facilities available to the Chinese subsidiaries (Note 10).

(Unaudited – Expressed in Canadian Dollars)

8. PROPERTY, PLANT AND EQUIPMENT, continued

Land use rights in China have remaining terms ranging from 35.4 to 35.5 years.

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

	Nine months ended September 30	
	2023	**2022**
Cost of sales	$ 357,788	$ 357,385
Selling, general and administrative expenses	572,604	577,271
	$ 930,392	$ 934,656

(Unaudited – Expressed in Canadian Dollars)

9. RIGHT-OF-USE ASSETS

	Office	Land	Production equipment	Total
Cost				
As at December 31, 2021	491,766	44,328	305,910	842,004
Additions	118,418	-	-	118,418
Decrease	(491,766)	-	-	(491,766)
As at December 31, 2022	118,418	44,328	305,910	468,656
Additions	-	-	343,811	343,811
Decrease	-	-	(305,909)	(305,909)
As at September 30, 2023	118,418	44,328	343,812	506,558
Accumulated depreciation				
As at December 31, 2021	264,232	11,010	229,136	504,378
Depreciation expense	62,737	3,670	76,774	143,181
Decrease	(308,271)	-	-	(308,271)
As at December 31, 2022	18,698	14,680	305,910	339,288
Depreciation expense	28,046	2,753	51,571	82,370
Decrease	-	-	(305,909)	(305,909)
As at September 30, 2023	46,744	17,433	51,572	115,749
Net book value - December 31, 2022	99,720	29,648	-	129,368
Net book value - September 30, 2023	$ 71,674	$ 26,895	$ 292,240	$ 390,809

The Company has entered into a five-year lease agreement for production line equipment beginning on January 1, 2023, and expiring on December 31, 2027. For the period ended September 30, 2023, the recognized right-of-use is $343,811 (2022 – nil); the derecognized right-of-use of the expired production line equipment is $305,909 (2022 – nil).

In 2022, the Company entered into a three-year and 16 days lease agreement for new office premises beginning on August 16, 2022, and expiring on August 31, 2025. For the period ended September 30, 2023, the recognized right-of-use is nil (2022 – $118,418).

In 2022, the Company entered into a two-year and 15 days sub-lease agreement for the prior office premises beginning on July 15, 2022, and expiring on July 30, 2024. For the period ended September 30, 2023, the derecognized right-of-use is nil (2022 – $183,495).

(Unaudited – Expressed in Canadian Dollars)

9. RIGHT-OF-USE ASSETS, continued

Lease receivable	**Office**	**Land**	**Production equipment**	**Total**
As at December 31, 2021	$ -	$ -	$ -	$ -
Recognized in 2022	239,033	-	-	239,033
Sublease received	(61,353)	-	-	(61,353)
Interest income on lease receivable	13,798	-	-	13,798
As at December 31, 2022	191,478	-	-	191,478
Sublease received	(100,395)	-	-	(100,395)
Interest income on lease receivable	14,361	-	-	14,361
As at September 30, 2023	105,444	-	-	105,444
Less: current portion	(105,444)	-	-	(105,444)
Non-current portion as at September 30, 2023	$ -	$ -	$ -	$ -

(Unaudited – Expressed in Canadian Dollars)

10. TERM LOANS AND INTEREST PAYABLE

The Company's term loans of $45,490,809 (December 31, 2022 - $48,219,274) consist of borrowings from the SOCMC and a bank in China as follows:

The following table presents the principal amount of each term loan.

	Runde-Cinda (i)	Runhai-Cinda (ii)	Runyang-Xinbao (iii)	Runhai-Bank (iv)	TOTAL
Balance, December 31, 2021	**$ 36,379,163**	**$ 3,491,250**	**$ 8,476,560**	**$ 817,950**	**$ 49,164,923**
Addition					-
Repayment				(154,880)	(154,880)
FX impact	(583,525)	(56,000)	(135,964)	(15,280)	(790,769)
Balance, December 31, 2022	**$ 35,795,638**	**$ 3,435,250**	**$ 8,340,596**	**$ 647,790**	**$ 48,219,274**
Addition	-	-	-	-	-
Repayment	-	-	-	(1,914)	(1,914)
FX impact	(2,024,104)	(194,250)	(471,629)	(36,568)	(2,726,551)
Balance, September 30, 2023	**$ 33,771,534**	**$ 3,241,000**	**$ 7,868,967**	**$ 609,308**	**$ 45,490,809**
Long term				**240,760**	**240,760**
Current	**$ 33,771,534**	**$ 3,241,000**	**$ 7,868,967**	**$ 368,548**	**$ 45,250,049**

(Unaudited – Expressed in Canadian Dollars)

10. TERM LOANS AND INTEREST PAYABLE, continued

The following table presents the interest expenses and late payment compensation of each term loan.

	Runde-Cinda (i)	Runhai-Cinda (ii)	Runyang-Xinbao (iii)	Runhai-Bank (iv)	TOTAL
Balance, December 31, 2021	**$ 29,601,343**	**$ 6,726,658**	**$ 12,335,201**	**$ 1,587**	**$ 48,664,789**
Interest & late payment compensation accrued	11,509,304	1,960,686	9,823,713	41,997	23,335,700
Interest paid	-	-	-	(32,341)	(32,341)
FX impact	(314,296)	(80,553)	(60,854)	109	(455,594)
Balance, December 31, 2022	**$ 40,796,351**	**$ 8,606,791**	**$ 22,098,060**	**$ 11,352**	**$ 71,512,554**
Interest & late payment compensation accrued	6,862,844	1,154,805	2,117,722	27,828	10,163,199
Interest paid	-	-	-	(18,380)	(18,380)
FX impact	(2,529,182)	(524,088)	(1,318,158)	(948)	(4,372,376)
Balance, September 30, 2023	**$ 45,130,013**	**$ 9,237,508**	**$ 22,897,624**	**$ 19,852**	**$ 77,284,997**

i. The Company's subsidiary Runde has numerous loans with Cinda. $9,267,350 (RMB 50,780,000) of loans bear interest at 11.57% per annum and $24,011,834 (RMB 131,571,696) of loans bear interest at 10.22% per annum. As at September 30, 2023, the Runde-Cinda loans are due on demand.

   During the year ended December 31, 2021, the Company entered into a settlement agreement with Cinda for the Runde-Cinda loans. The Company was assessed a late payment compensation due to the breach of the debt restructuring agreement with Cinda. This amount was included in interest expense and interest payable.

ii. The Company's subsidiary Runhai has numerous loans with Cinda. $3,193,750 (RMB 17,500,000) of loans are due on demand at September 30, 2023, and bear interest at 10.82% per annum.

10. TERM LOANS AND INTEREST PAYABLE, continued

iii. The Company's subsidiary Runyang has numerous loans with Cinda in the amount of $7,754,247 (RMB 42,489,025). During the year ended December 31, 2021, these loans have been transferred to Xinbao. The Company was assessed a late payment compensation due to the breach of the debt restructuring agreement with Cinda. This amount was included in interest expense and interest payable. The loan bears interest at 9.09% per annum. As at September 30, 2023, the Runyang-Xinbao loans are due on demand.

iv. By the year ended December 31, 2022, Runhai borrowed a loan of $647,790 (RMB 3,300,000) from a local bank. During the year ended December 31, 2022, Runhai restructured the loan with a repayment schedule over three years. The loan bears interest at 5.82% per annum and is due between February 2023 to August 2025. For the period ended September 30, 2023, the Company repaid $1,914 (RMB 10,000).

The assets of the Company's subsidiaries including inventory, restricted cash and property, plant and equipment have been pledged as collateral for these loans (Notes 6, 7 and 8). As of the reporting date, all term loans have been in default, and Cinda and Xinbao have the right to collect all the principal, accrued interest and late payment compensation, as well as the right to take possession of the pledged assets. If lenders take possession of the pledged assets, the Company will no longer be able to continue its operations. The Company has been negotiating with Cinda and Xinbao to arrange for debt repayment plans; no consensus has been reached as of the reporting date.

(Unaudited – Expressed in Canadian Dollars)

11. OTHER LOANS PAYABLE

The following table presents the other loans payable.

	Ms. Yuen (i)	Others (ii)	TOTAL
Balance, December 31, 2021	**$ 38,690,303**	**$ 4,904,917**	**$ 43,595,220**
Addition	448,871	-	448,871
Interest expense	6,454,219	652,465	7,106,684
Repayment	(330,291)	(300,724)	(631,015)
FX impact	272,260	131,650	403,910
Balance, December 31, 2022	**$ 45,535,362**	**$ 5,388,308**	**$ 50,923,670**
Addition	2,716,816	-	2,716,816
Interest expense	5,515,728	564,488	6,080,216
Repayment	(2,186,275)	-	(2,186,275)
FX impact	(2,185,885)	(146,685)	(2,332,570)
Balance, September 30, 2023	**$ 49,395,746**	**$ 5,806,111**	**$ 55,201,857**
Long term	**-**		**-**
Current	**$ 49,395,746**	**$ 5,806,111**	**$ 55,201,857**

The Company has obtained loans under numerous credit facility agreements from a private lender, Ms. Yuen, in USD and RMB.

As at September 30, 2023, the unsecured loans from Ms. Yuen bear annual interest at

i. 18% and 20% per annum, compounding quarterly,

ii. China 10-year benchmark government bond rate plus 1100 basis points annual interest rate for loans issued in RMB, compounding quarterly,

iii. 15% & 20% per annum, simple interest.

In June, 2023, the Company negotiated and consolidated one $2,372,500 or RMB 13,000,000 loan facility agreement with Ms. Yuen, bearing interest at 8% per annum for 18 months. The new loan is guaranteed by the Company and pledged with its major customer's account receivables. As of September 30, 2023, the Company has withdrawn $1,185,465 or RMB 6,401,000 of the loan facility.

11. OTHER LOANS PAYABLE, continued

During the nine months ended September 30, 2023, $2,186,275 in loans have been repaid towards prior loans from Ms. Yuen. As of the reporting date, the remaining $49,395,746 loans and interest from Ms. Yuen have been in default and are due on demand. If Mrs. Yuen were to call the loans, it is highly likely that the Company would no longer be able to continue its operations.

The Company obtained numerous loans from other private lenders in USD and RMB. The USD loans from other private lenders are unsecured and due on demand with interest at 11.50% per annum, compounding quarterly; the RMB loans from other private lenders are unsecured and due on demand with interest 1) at 20% annum, compounding quarterly, and 2) at 12% to 15% annum, simple interest. As of September 30, 2023, the outstanding principal of these loans are $1,040,103 (December 31, 2022 – $1,041,919).

(Unaudited – Expressed in Canadian Dollars)

12. RELATED PARTIES TRANSACTIONS AND BALANCES

a) Amount due to related parties

Amounts due to related parties are summarized as follows:

	Loan from CEO (i)	Loan from Director (ii)	Consulting fee payable to CEO (iii)	Total
Balance, December 31, 2021	**$ 9,361,947**	**$ 934,028**	**$ 3,250,093**	**$ 13,546,068**
Additions - Non cash			456,555	456,555
Interest expense	1,416,618	135,000	100,755	1,652,373
Payments		(169,028)	(467,829)	(636,857)
FX impact	693,206		226,432	919,638
Balance, December 31, 2022	**$ 11,471,771**	**$ 900,000**	**$ 3,566,006**	**$ 15,937,777**
Additions - Non cash	-	-	345,431	345,431
Interest expense	1,294,591	100,973	80,070	1,475,634
Payments	-	(100,973)	(346,502)	(447,475)
FX impact	(13,977)	-	(5,931)	(19,908)
Balance, September 30, 2023	**$ 12,752,385**	**$ 900,000**	**$ 3,639,074**	**$ 17,291,459**

i. The Company obtained loans under numerous credit facility agreements from the Company's Chairman and CEO in USD and RMB. For the loans borrowed in USD, the interest rate is US 10-year benchmark government bond rate plus 1100 basis points per annum. For the loans borrowed in RMB, the interest rate is the Chinese 10-year benchmark government bond rate plus 1100 basis points per annum, compounding quarterly. The loans from the CEO are unsecured and due on demand. As of September 30, 2023, the outstanding principal of these loans was $3,042,068 (December 31, 2022 - $3,047,468).

   These loans provide a repayment option to the lenders in either RMB or USD using a foreign exchange rate specified in each credit facility.

ii. The Company obtained a loan from one of its directors. The loan is secured by expected proceeds from monk fruit sales, bearing interest at 15% per annum. As of September 30, 2023, the outstanding principal of the loan was $900,000 (December 31, 2022 - $900,000). The loan is expired as of March 31, 2023, and is under review for renewal.

(Unaudited – Expressed in Canadian Dollars)

12. RELATED PARTIES TRANSACTIONS AND BALANCES, continued

a) Amount due to related parties, continued

iii. As of September 30, 2023, the consulting fee payable to the Company's Chairman and CEO was $3,639,074 (December 31, 2022 - $3,566,006), which bears interest at 3% per annum compounding quarterly.

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 the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, senior management of the Chinese subsidiaries and any external directors of the Company.

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

	Nine months ended September 30	
	2023	2022
Short-term employee benefits (including salaries, bonuses and fees)	$ 566,150	$ 546,527
Share-based benefits	-	-
Total remuneration	$ 566,150	$ 546,527

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 $1,866,000.

(Unaudited – Expressed in Canadian Dollars)

13. LEASE LIABILITIES

	Office	Land	Production equipment	Total
At December 31, 2022	$ 290,967	$ 38,391	$ -	$ 329,358
Recognized in 2023	-	-	343,811	343,811
Lease payments made	(134,832)	(7,055)	(73,613)	(215,500)
Interest expense on lease liabilities	27,491	5,066	36,880	69,437
As at September 30, 2023	183,626	36,402	307,078	527,106
Less: current portion	(140,537)	(3,103)	(55,825)	(199,465)
Non-current portion as at September 30, 2023	$ 43,089	$ 33,299	$ 251,253	$ 327,641

	Office	Land	Production equipment	Total
At December 31, 2021	$ 285,225	$ 40,660	$ 89,974	$ 415,859
Recognized in 2022	118,418	-	-	118,418
Lease payments made	(156,017)	(9,407)	(97,451)	(262,875)
Interest expense on lease liabilities	43,341	7,138	7,477	57,956
	290,967	38,391	-	329,358
Less: current portion	(149,556)	(2,713)	-	(152,269)
Non-current portion as at December 31, 2022	$ 141,411	$ 35,678	$ -	$ 177,089

	September 30, 2023	December 31, 2022
Current	$ 199,465	$ 152,269
Non-Current	327,641	177,089
	$ 527,106	$ 329,358

As at September 30, 2023, the recognized liabilities from the new production line lease is $343,811.

(Unaudited – Expressed in Canadian Dollars)

14. SHARE CAPITAL

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 September 30, 2023, there are 38,394,223 (December 31, 2022 – 38,394,223) common shares issued and outstanding with no par value.

15. NON-CONTROLLING INTEREST

The following table represents the share of equity attributable to the non-controlling interest:

		September 30, 2023
January 1, 2023	$	(1,063,324)
Non-controlling interest's share of earnings		(167,945)
Non-controlling interest's share of other comprehensive loss		68,909
September 30, 2023	$	(1,162,360)

		December 31, 2022
January 1, 2022	$	(815,529)
Non-controlling interest's share of earnings		(257,709)
Non-controlling interest's share of other comprehensive loss		9,914
December 31, 2022	$	(1,063,324)

16. SUPPLEMENTAL CASH FLOW INFORMATION

Supplementary cash flow information is as follows:

	Three months ended September 30		Nine months ended September 30	
	2023	**2022**	**2023**	**2022**
Changes in non-cash working capital items:				
Accounts receivable	$ (621,762)	$ 560,460	$ 727,429	$ 155,529
Taxes recoverable	(112,022)	(26,180)	24,742	16,364
Inventory	428,995	(228,085)	(414,163)	611,596
Prepaid expenses	(167,766)	260,066	(309,257)	(60,539)
Accounts payable and accruals	(244,032)	(234,528)	506,289	98,668
Interest accruals	6,253,284	5,249,107	17,719,051	15,419,829
Deferred revenue	7,491	(2,416)	10,561	(267,302)
Due to related parties	(976)	22,070	(1,070)	11,774
Changes in non-cash working capital items	$ 5,543,212	$ 5,600,494	$ 18,263,582	$ 15,985,919
Interest paid	$ 33,721	$ 3,476	$ 119,353	$ 26,459

(Unaudited – Expressed in Canadian Dollars)

17. COST OF SALES AND EXPENSES

	Nine months ended September 30	
	2023	2022
Cost of sales		
Direct cost of sales	$ 3,498,034	$ 4,765,479
Depreciation and amortization	409,359	414,965
Freight & others	201,792	249,902
Total	$ 4,109,185	$ 5,430,346
Selling, general and administrative (SG&A) expenses		
Direct SG&A expenses	$ 2,434,735	$ 2,466,860
Depreciation and amortization	575,357	633,412
Total	$ 3,010,092	$ 3,100,272
Supplementary information:		
Salaries and wages	$ 898,416	$ 907,054

18. LOSS PER SHARE

The following table sets forth the calculation of the basic and diluted loss per share for the nine months ended September 30, 2023 and 2022:

	Nine months ended September 30	
	2023	2022
Numerator:		
Net loss after tax	$ (16,626,867)	$ (17,223,858)
Denominator:		
Weighted average number of shares outstanding - basic	38,394,223	38,394,223
Weighted average number of shares outstanding - diluted	38,394,223	38,394,223
Loss per share - basic	$ (0.43)	$ (0.45)
Loss per share - diluted	$ (0.43)	$ (0.45)

(Unaudited – Expressed in Canadian Dollars)

19. 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 September 30		Nine months ended September 30	
	2023	2022	2023	2022
China	$ 17,616	$ (4,489)	$ 26,351	$ 536,265
North America & others	2,369,558	2,374,944	5,921,878	7,348,683
	$ 2,387,174	$ 2,370,455	$ 5,948,229	$ 7,884,948

During the nine months ended September 30, 2023, two customers of the Natural Sweeteners CGU represented 72% of total consolidated revenue (2022 – 60%).