



GLG LIFE TECH CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended March 31, 2024

(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 March 31, 2024 and December 31, 2023

(Unaudited – Expressed in Canadian Dollars)

		March 31, 2024	December 31, 2023
ASSETS	Note		
Current Assets			
Cash		\$ 442,864	\$ 386,357
Accounts receivable	5	3,033,582	3,882,087
Sales taxes recoverable		18,414	13,159
Inventory	6	1,577,646	755,821
Prepaid expenses		107,079	99,064
Net investment in sublease - current portion		43,487	74,945
Current assets from discontinued operations	7	4,341,910	4,332,876
Total Current Assets		9,564,982	9,544,309
Restricted cash		3,945	3,920
Property, plant and equipment	8	455,426	456,009
Right-of-use assets	9	52,977	62,325
Total Assets		\$ 10,077,330	\$ 10,066,563
LIABILITIES AND DEFICIT			
Current Liabilities			
Term loans - current portion	10	\$ 3,776,250	\$ 3,630,987
Interest payable	10	9,048,689	8,548,353
Other loans payable - current portion	11	59,048,888	56,274,481
Accounts payable and accruals		10,615,253	10,507,912
Advance from customers		-	9,259
Due to related parties	12	17,488,893	17,455,152
Advance from sublease		124,826	124,826
Lease liabilities - current portion	13	82,956	98,323
Current liabilities from discontinued operations	7	86,125,888	83,057,347
Total Current Liabilities		186,311,643	179,706,640
Term loans	10	121,875	242,190
Other loans payable	11	900,000	-
Lease Liabilities	13	19,803	43,089
Total Long-Term Liabilities		1,041,678	285,279
Total Liabilities		187,353,321	179,991,919
DEFICIT			
Shareholders' Deficiency			
Share capital	14	200,544,544	200,544,544
Contributed surplus		34,018,883	34,018,883
Accumulated other comprehensive income		17,397,343	17,713,589
Accumulated deficit		(428,334,989)	(421,347,463)
Total Shareholders' Deficiency Attributable to Shareholders of GLG		(176,374,219)	(169,070,447)
Non-controlling Interest	15	(901,772)	(854,909)
Total Deficit		(177,275,991)	(169,925,356)
Total Liabilities and Deficit		\$ 10,077,330	\$ 10,066,563

Going Concern (Note 3)

Subsequent Event (Note 20)

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 March 31, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

			Three months ended March 31	
	Note		2024	2023-Restated
REVENUE	19	\$	3,456,619	\$ 1,550,212
COST OF SALES	17		(2,862,253)	(1,251,610)
GROSS PROFIT			594,366	298,602
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	17		(528,189)	(754,098)
OTHER INCOME (EXPENSES)				
Interest expense	10		(3,111,491)	(2,762,842)
Interest income			-	4
Inventory recovery	6		-	21,330
Foreign exchange loss			(1,310,871)	(149,285)
Other expenses			(48,626)	(41,955)
Bad debt recovery			-	227
			(4,470,988)	(2,932,521)
NET LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS			(4,404,811)	(3,388,017)
DISCONTINUED OPERATIONS				
Net loss from discontinued operations	7		(2,620,272)	(10,865,165)
NET GAIN (LOSS) FOR THE PERIOD			(7,025,083)	(14,253,182)
NET GAIN (LOSS) ATTRIBUTABLE TO				
Shareholders of GLG			(6,987,526)	(14,122,264)
Non-controlling interest	15		(37,557)	(130,918)
Net Gain (Loss) for the period		\$	(7,025,083)	\$ (14,253,182)
Item that will be reclassified subsequently to profit or loss				
Foreign currency translation adjustment			(325,552)	46,665
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		\$	(7,350,635)	\$ (14,206,517)
Other comprehensive income (loss) attributable to:				
Shareholders of GLG			(316,246)	48,111
Non-controlling interest	15		(9,306)	(1,446)
		\$	(325,552)	\$ 46,665
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
Shareholders of GLG			(7,303,772)	(14,074,153)
Non-controlling interest	15		(46,863)	(132,364)
		\$	(7,350,635)	\$ (14,206,517)
GAIN (LOSS) PER SHARE (BASIC AND DILUTED)				
From continuing operations			(0.11)	(0.09)
From discontinued operations			(0.07)	(0.28)
	18	\$	(0.18)	\$ (0.37)
Weighted Average Number of Common Shares Outstanding				
Basic and diluted			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 March 31, 2024 and 2023

(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, 2023	38,394,223	-	\$ 200,544,544	\$ 34,018,883	\$ 11,609,080	\$ (415,719,540)	\$ (169,547,033)	\$ (946,402)	\$ (170,493,435)
Change in foreign currency translation					48,111	-	48,111	(1,446)	46,665
Net gain (loss)					-	(14,122,264)	(14,122,264)	(130,918)	(14,253,182)
Balance as at March 31, 2023 - Restated	38,394,223	-	\$ 200,544,544	\$ 34,018,883	\$ 11,657,191	\$ (429,841,804)	\$ (183,621,186)	\$ (1,078,766)	\$ (184,699,952)
Balance, April 1, 2023	38,394,223	-	\$ 200,544,544	\$ 34,018,883	\$ 11,657,191	\$ (429,841,804)	\$ (183,621,186)	\$ (1,078,766)	\$ (184,699,952)
Change in foreign currency translation	-	-	-	-	6,056,398	-	6,056,398	74,370	6,130,768
Net loss	-	-	-	-	-	8,494,341	8,494,341	149,487	8,643,828
Balance as at December 31, 2023	38,394,223	-	\$ 200,544,544	\$ 34,018,883	\$ 17,713,589	\$ (421,347,463)	\$ (169,070,447)	\$ (854,909)	\$ (169,925,356)
Balance, January 1, 2024	38,394,223	-	\$ 200,544,544	\$ 34,018,883	\$ 17,713,589	\$ (421,347,463)	\$ (169,070,447)	\$ (854,909)	\$ (169,925,356)
Change in foreign currency translation	-	-	-	-	(316,246)	-	(316,246)	(9,306)	(325,552)
Net gain	-	-	-	-	-	(6,987,526)	(6,987,526)	(37,557)	(7,025,083)
Balance as at March 31, 2024	38,394,223	-	\$ 200,544,544	\$ 34,018,883	\$ 17,397,343	\$ (428,334,989)	\$ (176,374,219)	\$ (901,772)	\$ (177,275,991)

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 March 31, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

		Three months ended March 31	
	Note	2024	2023-Restated
Cash Flows From Continuing Operations Activities			
Net Loss		\$ (4,404,811)	\$ (3,388,017)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	8 & 9	12,811	345,865
Inventory provision (recovery)	6	-	(21,330)
Bad debt provision (recovery)		-	(227)
Interest expense on lease liabilities, net of finance income from sublease		2,880	4,898
Unrealized foreign exchange loss (gain)		713,000	(19,848)
Changes in non-cash working capital items	16	3,234,098	4,516,613
Net cash from (used in) operating activities		(442,022)	1,437,954
Cash Flows From Investing Activities			
Purchase of property, plant and equipment	8	-	(1,852)
Net cash used in investing activities		-	(1,852)
Cash Flows From Financing Activities			
Proceeds from other loans	11	900,000	1,157,746
Repayment of other loans	11	-	(962,482)
Net of repayment to related parties	12	(900,000)	-
Changes of restricted cash		-	(3)
Repayment of lease liabilities, net of proceeds from sublease	13	(10,075)	(9,791)
Net cash from (used in) financing activities		(10,075)	185,470
Effect of exchange rate changes on cash		508,604	(1,234,099)
Net Change In Cash		56,507	387,473
Cash, beginning of the period		386,357	203,989
Cash, end of the period		\$ 442,864	\$ 591,462

See Accompanying Notes to the Condensed Interim Consolidated Financial Statements
Supplemental Cash Flow Information (Note 16)

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

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, 2023, 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 Note 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 three months ended March 31, 2024, were authorized for issue by the Audit Committee on behalf of the Board of Directors on July 18, 2024.

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

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 three-month period ended March 31, 2024, the Company incurred net loss attributed to the Company's shareholders of \$6,987,526 (2023 - \$14,122,264). As at March 31, 2024, the Company had an accumulated deficit of \$428,334,989 (December 31, 2023 - \$421,347,463), working capital deficiency of \$176,746,661 (December 31, 2023 - \$170,162,331) and cash outflow from operating activities of \$442,022 (2023 inflow – \$1,437,954).

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.

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

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 March 31, 2024, and December 31, 2023, 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 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.

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024 and 2023

(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.

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, 2023. 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, 2023.

a. Basis of consolidation

These consolidated financial statements include the following subsidiaries:

	Jurisdiction of Incorporation	Ownership Interest	Functional Currency
<u>Subsidiaries</u>			
Agricultural High Tech Developments Limited	Marshall Islands	100%	HKD
Anhui Runhai Biotechnology Joint Stock Co., Ltd. ("Runhai")	China	98.85%	RMB
Anhui Bengbu HN Stevia High Tech Development Company Limited ("Bengbu")	China	98.85%	RMB
Qingdao Runde Biotechnology Company Limited ("Runde")	China	98.85%	RMB
GLG Life Tech US, Inc.	USA	100%	USD
Intercontinental Cannabis Corporation	Canada	100%	CAD

b. Recent Accounting Pronouncements

A number of new standards and amendments to standards and interpretations are not yet effective for the period ended March 31, 2024, and have not been applied in preparing these unaudited condensed consolidated interim financial statements, including:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease liability in a sale and leaseback (Amendments to IFRS 16 Leases)
- Supplier finance arrangements (Amendments to IAS 7 and IFRS 7)
- Presentation and disclosure in financial statements (IFRS 18)

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

b. Recent Accounting Pronouncements, continued

The Company does not expect the new standards and amendments to have a material impact on the consolidated interim financial statements.

5. ACCOUNTS RECEIVABLE

The aging analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired		
			<90 days	91-180 days	>180 days
March 31, 2024	\$ 3,033,582	\$ 2,889,634	\$ 140,154	\$ 1,355	\$ 2,439
December 31, 2023	\$ 3,882,087	\$ 3,679,398	\$ 200,308	\$ 2,381	\$ -

6. INVENTORY

	March 31, 2024	December 31, 2023
Raw materials	\$ 258,890	\$ 252,753
Finished goods	1,318,756	503,068
	\$ 1,577,646	\$ 755,821

For the three months ended March 31, 2024, the Company recorded an inventory provision recovery of nil (2023 - \$21,330).

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

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

7. DISCONTINUED OPERATIONS

In August 2023, the Company decided to permanently cease Runde's production and terminated all of Runde's employees. Therefore, the Company reclassified Runde's operations as discontinued operations for the periods ended March 31, 2024, and December 31, 2023.

Subsequently, in January 2024, the Company entered into an ownership transfer agreement to sell 100% of its ownership in Runde to a third party.

As of March 31, 2024, the major classes of assets and liabilities from discontinued operations included the following:

DISCONTINUED OPERATIONS	March 31, 2024	December 31, 2023
ASSETS		
Cash	\$ 6,153	\$ 1,345
Accounts receivable	939,517	699,391
Sales taxes recoverable	664,694	683,058
Inventory	491,851	663,632
Prepaid expenses	319,879	364,766
Restricted cash	12,346	12,267
Property, plant and equipment	1,662,018	1,647,355
Right-of-use assets	245,452	261,062
Current assets from discontinued operations	\$ 4,341,910	\$ 4,332,876
Liabilities		
Term loans	\$ 34,190,943	\$ 33,972,121
Interest payable	50,816,309	47,958,566
Accounts payable and accruals	844,224	839,793
Lease liabilities	274,412	286,867
Other loans payable		
Current liabilities from discontinued operations	\$ 86,125,888	\$ 83,057,347

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

7. DISCONTINUED OPERATIONS, continued

The results of discontinued operations for the three-months ended March 31, 2024, were as follows:

DISCONTINUED OPERATIONS	Three months ended March 31	
	2024	2023-Restated
REVENUE	\$ 11,087	\$ 6,596
COST OF SALES	(4,333)	1,534
GROSS PROFIT	6,754	8,130
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	(59,581)	(204,437)
OTHER INCOME (EXPENSES)		
Interest expense	(2,616,202)	(3,407,485)
Interest income	-	46
Loss on sale of property, plant and equipment	-	(6,880,711)
Inventory recovery (provision)	163,490	7,130
Foreign exchange gain (loss)	21,498	(161,699)
Other expenses	(136,231)	(226,139)
	(2,567,445)	(10,668,858)
NET LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS	\$ (2,620,272)	\$ (10,865,165)
NET LOSS ATTRIBUTABLE TO		
Shareholders of GLG	(2,590,139)	(10,740,216)
Non-controlling interest	(30,133)	(124,949)
NET LOSS FOR THE PERIOD FROM DISCONTINUED OPERATIONS	\$ (2,620,272)	\$ (10,865,165)

For the three months ended March 31, 2024, the discontinued operations resulted in net loss of \$2,620,272, cash used in operating activities of \$4,808, cash generated from investing activities of \$nil and cash generated from financing activities of \$nil.

For the three months ended March 31, 2023, the discontinued operations resulted in net loss of \$10,865,165, cash used in operating activities of \$25,274, cash used in investing activities of \$nil and cash generated from financing activities of \$nil.

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements Three Months Ended March 31, 2024 and 2023 (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	Total
Costs							
As at December 31, 2022	\$ 949,869	\$ 11,617,414	\$ 9,437,819	\$ 651,178	\$ 184,153	\$ 295,177	\$ 23,135,610
Additions	-	-	-	-	1,852	-	1,852
Foreign currency adjustments	(162,953)	(2,114,667)	(1,099,767)	(33,173)	(19,009)	(26,897)	(3,456,466)
As at December 31, 2023	\$ 786,916	\$ 9,502,747	\$ 8,338,052	\$ 618,005	\$ 166,996	\$ 268,280	\$ 19,680,996
Foreign currency adjustments	19,554	(102,296)	315,470	3,981	625	1,283	238,617
As at March 31, 2024	\$ 806,470	\$ 9,400,451	\$ 8,653,522	\$ 621,986	\$ 167,621	\$ 269,563	\$ 19,919,613
Accumulated depreciation							
As at December 31, 2022	\$ 949,869	\$ 10,047,014	\$ 3,908,595	\$ 168,467	\$ 158,972	\$ 270,280	\$ 15,503,197
Depreciation	-	222,444	894,322	14,839	4,049	598	1,136,252
Discontinued operations	-	1,310,608	4,240,456	-	14,958	21,816	5,587,838
Foreign currency adjustments	(162,953)	(2,077,319)	(705,321)	(12,121)	(18,478)	(26,108)	(3,002,300)
As at December 31, 2023	\$ 786,916	\$ 9,502,747	\$ 8,338,052	\$ 171,185	\$ 159,501	\$ 266,586	\$ 19,224,987
Depreciation	-	-	-	2,845	468	150	3,463
Foreign currency adjustments	19,554	(102,296)	315,470	1,101	626	1,282	235,737
As at March 31, 2024	\$ 806,470	\$ 9,400,451	\$ 8,653,522	\$ 175,131	\$ 160,595	\$ 268,018	\$ 19,464,187
Net book value							
As at December 31, 2023	\$ -	\$ -	\$ -	\$ 446,820	\$ 7,495	\$ 1,694	\$ 456,009
As at March 31, 2024	\$ -	\$ -	\$ -	\$ 446,855	\$ 7,026	\$ 1,545	\$ 455,426

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).

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

8. PROPERTY, PLANT AND EQUIPMENT, continued

Land use rights in China have remaining terms ranging from 34.1 to 35.0 years.

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

	Three months ended March 31	
	2024	2023-Restated
Cost of sales	\$ -	\$ 180,765
Selling, general and administrative expenses	3,462	103,682
	\$ 3,462	\$ 284,447

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

9. RIGHT-OF-USE ASSETS

	Office
Cost	
As at December 31, 2022	\$ 118,418
As at December 31, 2023	118,418
As at March 31, 2024	\$ 118,418
Accumulated depreciation	
As at December 31, 2022	\$ 18,698
Depreciation expense	37,395
As at December 31, 2023	56,093
Depreciation expense	9,348
As at March 31, 2024	\$ 65,441
Net book value - December 31, 2023	62,325
Net book value - March 31, 2024	\$ 52,977

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024 and 2023

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10. TERM LOANS AND INTEREST PAYABLE

The Company's term loans of \$3,898,125 (December 31, 2023 - \$3,873,177) consist of borrowings from the SOCMC and a bank in China as follows:

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

	Runhai-Cinda (i)	Runhai-Bank (ii)	TOTAL
Balance, December 31, 2022	\$ 3,435,250	\$ 647,790	\$ 4,083,040
Repayment	-	(1,907)	(1,907)
FX impact	(175,000)	(32,956)	(207,956)
Balance, December 31, 2023	\$ 3,260,250	\$ 612,927	\$ 3,873,177
FX impact	21,000	3,948	24,948
Balance, March 31, 2024	\$ 3,281,250	\$ 616,875	\$ 3,898,125
Long term	-	121,875	121,875
Current	\$ 3,281,250	\$ 495,000	\$ 3,776,250

GLG LIFE TECH CORPORATION

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Three Months Ended March 31, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

10. TERM LOANS AND INTEREST PAYABLE, continued

The following table presents the interest expenses of each term loan.

	Runhai-Cinda (i)	Runhai-Bank (ii)	TOTAL
Balance, December 31, 2022	\$ 7,719,296	\$ 11,352	\$ 7,730,648
Interest	1,221,391	37,058	1,258,449
Interest paid	-	(18,313)	(18,313)
FX impact	(421,420)	(1,011)	(422,431)
Balance, December 31, 2023	\$ 8,519,267	\$ 29,086	\$ 8,548,353
Interest	436,431	9,080	445,511
FX impact	54,642	183	54,825
Balance, March 31, 2024	\$ 9,010,340	\$ 38,349	\$ 9,048,689

- i. The Company's subsidiary Runhai has numerous loans with Cinda. \$3,281,250 (RMB 17,500,000) of loans are due on demand at March 31, 2024, and bear interest at 10.82% per annum.
- ii. During the year ended December 31, 2021, Runhai borrowed a loan of \$817,950 (RMB 4,100,000) 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. Due to the restructuring of the loan, the Company repaid \$154,880 (RMB 800,000) in 2022, repaid \$1,907 (RMB 10,000) in 2023. There were principal repayments due in 2023 of \$149,040 (RMB 800,000) and due in February 2024 of \$114,040 (RMB 600,000); as of June 30, 2024, these repayments had not been made and Runhai is in default according to the repayment schedule.

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 and 8). As of the reporting date, all term loans have been in default, and Cinda has the right to collect all the principals and accrued interest, 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 operation. The Company has been negotiating with Cinda to arrange for debt repayment plans, and no consensus has been arrived yet as of the reporting date.

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Notes to the Condensed Interim Consolidated Financial Statements

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(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, 2022	\$ 45,535,362	\$ 5,388,308	\$ 50,923,670
Addition	1,894,345	-	1,894,345
Interest expense	7,442,728	795,185	8,237,913
Repayment	(2,409,215)	-	(2,409,215)
Transfer	(871,876)	871,876	-
FX impact	(2,153,979)	(218,253)	(2,372,232)
Balance, December 31, 2023	\$ 49,437,365	\$ 6,837,116	\$ 56,274,481
Addition	-	900,000	900,000
Interest expense	1,922,158	249,778	2,171,936
FX impact	509,164	93,307	602,471
Balance, March 31, 2024	\$ 51,868,687	\$ 8,080,201	\$ 59,948,888
Long term	-	900,000	900,000
Current	\$ 51,868,687	\$ 7,180,201	\$ 59,048,888

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

- \$1,200,188 of loans bear interest at 8% with an expiry date of August 9, 2024; the loan is secured with one of the Company's major customer's accounts receivable payments.
- \$837,918 of loans bear interest at 18% per annum, compounding quarterly, \$703,125 of loans bear annual interest at 20% and \$813,118 of loans bear annual interest at 15%. The maturity dates for loans from Ms. Yuen ranged from August 2019 to August 2023. As at March 31, 2024, the loans are unsecured and due on demand.
- During the three months ended March 31, 2024, there was no repayment to Ms. Yuen's loans. As of the reporting date, the remaining \$50,565,641 in loans from Ms. Yuen are in default. If Mrs. Yuen calls the loans, the Company may no longer be able to continue its operations.

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

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11. OTHER LOANS PAYABLE, continued

The Company obtained numerous loans from other private lenders in CAD, USD and RMB. In February 2024, the Company obtained a \$900,000 loan from a private lender. The loan bears interest at a net interest rate of 15% per annum (net of any applicable mandatory withholding taxes) for three years. With the new loan principal, the Company repaid an expired related party loan to one of its directors in February 2024.

As at March 31, 2024, the loans from other private lenders are unsecured and due on demand with interest at 11.50% per annum, with interest compounding quarterly, and at 15% per annum with simple interest. As of December 31, 2023, the outstanding principal of these loans was \$2,567,099 (December 31, 2023 – \$1,638,175).

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Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024 and 2023

(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, 2022	\$ 11,471,771	\$ 900,000	\$ 3,566,006	\$ 15,937,777
Additions - Non cash	-	-	462,947	462,947
Interest expense	1,808,256	135,000	107,750	2,051,006
Payments	-	(135,000)	(470,179)	(605,179)
FX impact	(305,653)	-	(85,746)	(391,399)
Balance, December 31, 2023	\$ 12,974,374	\$ 900,000	\$ 3,580,778	\$ 17,455,152
Additions - Non cash	-	-	116,334	116,334
Interest expense	498,533	21,082	27,238	546,853
Payments	-	(921,082)	(116,334)	(1,037,416)
FX impact	320,127	-	87,843	407,970
Balance, March 31, 2024	\$ 13,793,034	\$ -	\$ 3,695,859	\$ 17,488,893

- 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 March 31, 2024, the outstanding principal of these loans was \$3,048,818 (December 31, 2023 - \$2,975,916).
- ii. On February 26, 2024, the Company repaid one of its director's outstanding loan and interest by obtaining a \$900,00 loan from a private lender. As of March 31, 2024, the outstanding principal of the director's loan was zero (December 31, 2023 - \$900,000).
- iii. As of March 31, 2024, the consulting fee payable to the Company's Chairman and CEO was \$3,695,859 (December 31, 2023 - \$3,580,778), which bears interest at 3% per annum compounding quarterly.

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12. 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 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:

	Three months ended March 31	
	2024	2023
Short-term employee benefits (including salaries, bonuses and fees)	\$ 183,286	\$ 189,271
Share-based benefits	-	-
Total remuneration	\$ 183,286	\$ 189,271

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 \$1,870,000.

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited – Expressed in Canadian Dollars)

13. LEASE LIABILITIES

	Office
At December 31, 2022	\$ 290,967
Lease payments made	(183,409)
Interest expense on lease liabilities	33,854
As at December 31, 2023	\$ 141,412
Lease payments made	(43,540)
Interest expense on lease liabilities	4,887
As at March 31, 2024	\$ 102,759
Less: current portion	(82,956)
Non-current portion as at March 31, 2024	\$ 19,803

	March 31, 2024	December 31, 2023
Current	\$ 82,956	\$ 98,323
Non-Current	19,803	43,089
	\$ 102,759	\$ 141,412

GLG LIFE TECH CORPORATION

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(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 March 31, 2024, there are 38,394,223 (December 31, 2023 – 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:

	March 31, 2024	
January 1, 2024	\$	(854,909)
Non-controlling interest's share of earnings		(37,557)
Non-controlling interest's share of other comprehensive loss		(9,306)
March 31, 2024	\$	(901,772)
	December 31, 2023	
January 1, 2023	\$	(946,402)
Non-controlling interest's share of earnings		18,569
Non-controlling interest's share of other comprehensive loss		72,924
December 31, 2023	\$	(854,909)

16. SUPPLEMENTAL CASH FLOW INFORMATION

Supplementary cash flow information is as follows:

	2024		2023-Restated	
Accounts receivable	\$	939,288	\$	1,279,841
Taxes recoverable		(5,255)		21,780
Inventory		(819,886)		(170,053)
Prepaid expenses		(7,605)		34,175
Accounts payable and accruals		(6,204)		616,889
Interest accruals		3,143,218		2,734,075
Deferred revenue		(9,458)		-
Due to related parties		-		(94)
Changes in non-cash working capital items	\$	3,234,098	\$	4,516,613
Interest paid	\$	21,082	\$	52,264

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

17. COST OF SALES AND EXPENSES

	Three months ended March 31	
	2024	2023-Restated
Cost of sales		
Direct cost of sales	\$ 2,842,879	\$ 1,033,383
Depreciation and amortization	-	180,765
Freight & others	19,374	37,462
Total	\$ 2,862,253	\$ 1,251,610
Selling, general and administrative (SG&A) expenses		
Direct SG&A expenses	\$ 515,379	\$ 641,068
Depreciation and amortization	12,810	113,030
Total	\$ 528,189	\$ 754,098
Supplementary information:		
Salaries and wages	\$ 167,584	\$ 236,612

18. LOSS PER SHARE

The following table sets forth the calculation of the basic and diluted loss per share for the three months ended March 31, 2024 and 2023:

	Three months ended March 31	
	2024	2023-Restated
Numerator:		
Net loss after tax attributable to GLG	\$ (6,987,526)	\$ (14,122,264)
Denominator:		
Weighted average number of shares		
Outstanding - basic and diluted	38,394,223	38,394,223
Loss per share - basic and diluted	\$ (0.18)	\$ (0.37)

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

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(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 March 31	
	2024	2023-Restated
China	\$ -	-
North America & others	3,456,619	1,550,212
	\$ 3,456,619	1,550,212

During the three months ended March 31, 2024, two customers of the Natural Sweeteners CGU represented 89% of total consolidated revenue (March 31, 2023 – 79%).

20. SUBSEQUENT EVENT

Runde ownership transfer agreement ("Transfer Agreement")

On January 26, 2024, the Company entered into an ownership transfer agreement, to transfer 100% of the ownership of Runde to a third party: Fengyang Xiaogang Hongzhang Health Industrial Park Co. Ltd. ("Xiaogang") for aggregate consideration of \$0.2 (RMB 1.00). Under the terms of the agreement, all of Runde's assets and liabilities will be transferred to Xiaogang.

On May 16, 2024, the Transfer Agreement was approved by shareholders and the transaction is pending for further regulatory approval.

GLG LIFE TECH CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

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21. RESTATEMENT

a) Corrections on Property, Plant and Equipment

In March 2024, the Company received a series of Chinese court orders and rulings (“Court Orders”) related to one of its subsidiaries, Runyang. One of the Court Orders stating that Runyang has been in bankruptcy proceedings since April 2023. Runyang’s assets collateralized for its term loans (“Runyang Assets”) were seized by a court in April 2022 with the intention of auctioning these assets. These assets were auctioned for \$18,226,624 (CNY 92,240,000) in January 2023, and ownerships were officially transferred to the buyer in March 2023. The proceeds from the auction were used to settle Runyang’s term loans with Xinbao and recorded at 2023 year-end financials. Except for the auction proceeds, Runyang did not have any other assets available for its remaining obligation. The court ultimately declared Runyang bankrupt and terminated bankruptcy proceedings in November 2023. Consequently, the comparative financial information has been restated to correct the material misstatements.

As Runyang Assets were seized in April 2022 with the intention to be sold, the Company determine that these assets should have been reclassified as assets held for sale and depreciation should be ceased in April 2022. As a result, the Company reversed the depreciation expenses recorded for Runyang Assets from May 2022 to December 2022, and reclassified the carrying amount of these assets from property, plant and equipment to assets held for sale, which has been included in the current assets from discontinued operations (Note 14 of 2023 audit report).

b) Corrections on Term Loans

Previously, the Company recorded the late payment compensation related to Runyang term loans (Note 14 of 2023 audit report) as provision of its obligation. According to the Court Orders, Xinbao did not claim any late payment compensation on Runyang’s term loans, and Runyang had never paid any late payment compensation. As a result of Runyang’s bankruptcy, the Xinbao term loan was partially repaid by auction proceeds (Note 21a of 2023 audit report) and remaining unpaid balance was fully discharged. Therefore, the Company performed reassessment on term loans and concluded that the late payment compensation on Runyang term loans did not qualify for recognition as a liability and hence reversed.

The Company also determined that the late payment compensation on Runhai’s term loans (Note 15 of 2023 audit report) did not qualify for recognition as a liability and hence reversed.

A misstatement on Runde’s term loans due to incorrect foreign exchange rate used was also corrected (Note 14 of 2023 audit report).

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Notes to the Condensed Interim Consolidated Financial Statements

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21. RESTATEMENT, continued

c) Corrections on Term Loans

For the three-months ended at March 31, 2023, the Company reversed the January to March 2023 depreciation expense recorded for Runyang Assets, disposed auctioned assets of Runyang, corrected interest accrual for Runyang, Runhai and Runde from January to March 2023 for the comparable statements.

The following table summarized the above-mentioned adjustments on the Company's previously reported consolidated statement of financial position:

	as previously reported	Adjustments	As Restated
ASSETS			
Property, plant and equipment	15,751,130	(6,533,907)	9,217,223
Total Assets	\$ 22,995,321	(6,533,907)	\$ 16,461,414
LIABILITIES AND DEFICIT			
Current Liabilities			
Interest payable	74,519,732	(8,965,155)	65,554,577
Total Current Liabilities	209,207,849	(8,965,155)	200,242,694
Total Liabilities	210,126,521	(8,965,155)	201,161,366
DEFICIT			
Shareholders' Deficiency			
Accumulated other comprehensive income	11,452,100	205,091	11,657,191
Accumulated deficit	(432,038,387)	2,196,583	(429,841,804)
Total Shareholders' Deficiency Attributable to Shareholders of GLG	(186,022,860)	2,401,674	(183,621,186)
Non-controlling Interest	(1,108,340)	29,574	(1,078,766)
Total Deficit	(187,131,200)	2,431,248	(184,699,952)
Total Liabilities and Deficit	\$ 22,995,321	(6,533,907)	16,461,414

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Notes to the Condensed Interim Consolidated Financial Statements

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21. RESTATEMENT, continued

c) Corrections on Term Loans, continued

	as previously reported	Adjustments	As Restated
COST OF SALES	(1,163,369)	(86,707)	(1,250,076)
GROSS PROFIT	393,439	(86,707)	306,732
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	(1,032,217)	73,682	(958,535)
OTHER INCOME (EXPENSES)			
Interest expense	(5,259,494)	(910,833)	(6,170,327)
Loss on write-off of property, plant and equipment	-	(6,880,711)	(6,880,711)
	(5,809,835)	(7,791,544)	(13,601,379)
NET LOSS FOR THE PERIOD	(6,448,613)	(7,804,569)	(14,253,182)
NET GAIN (LOSS) ATTRIBUTABLE TO			
Shareholders of GLG	(6,407,448)	(7,714,816)	(14,122,264)
Non-controlling interest	(41,165)	(89,753)	(130,918)
Net Gain (Loss) for the period	\$ (6,448,613)	\$ (7,804,569)	\$ (14,253,182)
Item that will be reclassified subsequently to profit or loss			
Foreign currency translation adjustment	(22,114)	2,009	(20,105)
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	\$ (6,470,727)	\$ (7,802,560)	\$ (14,273,287)
Other comprehensive income (loss) attributable to:			
Shareholders of GLG	(18,263)	22	(18,241)
Non-controlling interest	(3,851)	1,987	(1,864)
	\$ (22,114)	\$ 2,009	\$ (20,105)
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Shareholders of GLG	(6,425,711)	(7,714,794)	(14,140,505)
Non-controlling interest	(45,016)	(87,766)	(132,782)
	\$ (6,470,727)	\$ (7,802,560)	\$ (14,273,287)
GAIN (LOSS) PER SHARE (BASIC AND DILUTED)	\$ (0.17)	\$ (0.20)	\$ (0.37)
Weighted Average Number of Common Shares Outstanding			
Basic and diluted	38,394,223	38,394,223	38,394,223

The restatement had no impact on the net cash flows related to operating, investing and financing activities reported in the consolidated statements of cash flows.