GLG LIFE TECH CORPORATION

MANAGEMENT DISCUSSION & ANALYSIS

For the Three and Twelve Months Ended December 31, 2017

Dated: April 2, 2018

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A"), as amended, of GLG Life Tech Corporation is dated April 2, 2018. It provides a review of the financial results for the three and twelve months ended December 31, 2017, compared to the same periods in the prior year.

This MD&A relates to the consolidated financial condition and results of operations of GLG Life Tech Corporation ("we," "us," "our," "GLG" or the "Company") together with GLG's subsidiaries in the People's Republic of China ("China") and other jurisdictions. As used herein, the word "Company" means, as the context requires, GLG and its subsidiaries. The common shares of GLG are listed on the Toronto Stock Exchange (the "Exchange") under the symbol "GLG". Except where otherwise indicated, all financial information reflected herein is expressed in Canadian dollars and determined on the basis of International Financial Reporting Standards ("IFRS"). This MD&A should be read in conjunction with the annual consolidated financial statements and notes thereto. Additional information relating to GLG Life Tech Corporation including GLG's Annual Information Form can be found on GLG's web site at www.glglifetech.com or on the SEDAR web site for Canadian regulatory filings at www.sedar.com.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, which could result in a material adjustment to the carrying amounts of assets and liabilities and disclosure of contingent assets or liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following: determining the accrued liabilities; assessing the fair value of property, plants and equipment, biological assets, intangible assets and goodwill; the valuation of future tax assets; revenue recognition; estimate of inventory net realizable value; going concern assumption; expected useful lives of assets subject to amortization and the assumptions used in determining the fair value of stock-based compensation. While management believes the estimates used are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

GLG has issued reports on certain non-IFRS measures that are used by management to evaluate the Company's performance. Because non-IFRS measures do not have a standardized meaning, securities regulations require that non-IFRS measures be clearly defined and qualified, and reconciled with their nearest IFRS measure. Where non-IFRS measures are reported, GLG has provided the definition and reconciliation to their nearest IFRS measure in section "NON-IFRS Financial Measures".

Forward-Looking Statements

Certain statements in this MD&A constitute "forward-looking statements" and "forward looking information" (collectively, "forward-looking statements") within the meaning of applicable securities laws. Such forward-looking statements include, without limitation, statements evaluating the market, statements regarding potential demand for stevia, monk fruit, and other products and discussions regarding general economic conditions and future-oriented costs and expenditures. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases or words and phrases that state or indicate that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

While the Company has based these forward-looking statements on its current expectations about future events, the statements are not guarantees of the Company's future performance and are subject to risks, uncertainties, assumptions and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Such factors include amongst others the effects of general

economic conditions, consumer demand for our products and new orders from our customers and distributors, changing foreign exchange rates and actions by government authorities, uncertainties associated with legal proceedings and negotiations, industry supply levels, competitive pricing pressures and misjudgments in the course of preparing forward-looking statements. Specific reference is made to the risks described herein under the heading "Risks Related to the Company's Business" and "Risks Associated with Doing Business in the People's Republic of China" for a discussion of these and other sources of factors underlying forward-looking statements and to those additional risks set forth under the heading "Risk Factors" in the Company's Annual Information Form for the financial year ended December 31, 2017. In light of these factors, the forward-looking events discussed in this MD&A might not occur.

Further, although the Company has attempted to identify factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

As there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements, readers should not place undue reliance on forward-looking statements.

Financial outlook information contained in this MD&A about prospective results of operations, capital expenditures or financial positions is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information as of the date hereof. Such financial outlook information should not be used for purposes other than those for which it is disclosed herein.

Overview

We are a leading producer of high-quality stevia extract and high-quality monk fruit extract. While stevia has long been the foundation of our company, over the last three years we have been producing and selling monk fruit extracts to the international market. Stevia extracts, such as Rebaudioside A (or Reb A), and monk fruit extracts are used as all-natural, zero-calorie sweeteners in food and beverages. Our revenue presently derives primarily from the sale of high-grade stevia extract to the food and beverage industry; the expansion into monk fruit extracts represents an additional significant source of actual and potential revenues. Furthermore, we have expanded our product offerings and market opportunities through the supply of ingredients complementary to the natural high-intensity sweetener market under our Naturals+ product line.

We conduct our stevia and monk fruit development, refining, processing and manufacturing operations through two wholly-owned subsidiaries in China. Our stevia operations in China include four processing factories, stevia growing areas across 10 growing regions, and four research and development centers engaged in the development of high-yielding stevia seeds and seedlings. Our processing facilities have a combined annual throughput of 41,000 metric tons of stevia leaf, over 1,500 metric tons of high-purity stevia extract, and 130 metric tons of high-purity monk fruit extract.

New Standards, Amendments and Interpretations Not Yet Effective

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the year ended December 31, 2017 and have not been applied in preparing these consolidated financial statements. The new and revised standards are as follows:

- IFRS 2 – Share Based Payments: the amendments eliminate the diversity in practice in the classification and measurement of particular share-based payment transactions which are narrow in scope and address specific areas of classification and measurement. It is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted provided it is disclosed. The Company does not expect that the adoption of this standard will have a material effect on the Company’s consolidated financial statements.

- IFRS 9 – Financial Instruments: Applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company does not expect that the adoption of this standard will have a significant effect on the Company’s disclosure requirements.

- IFRS 15 – Clarifications to IFRS 15 “Revenue from Contracts with Customers” issued. The amendments do not change the underlying principles of the standard, but simply clarify and offer some additional transition relief. The standard is effective for annual periods beginning on or after January 1, 2018. The Company does not expect that the adoption of this standard will have any significant effect on the Company’s consolidated financial statements.

- IFRIC 22 – Foreign Currency Transactions and Advance Consideration: addresses how to determine the ‘date of the transaction’ when applying IAS 21. It is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company does not expect that the adoption of this standard will have a material effect on the Company’s consolidated financial statements.

- IFRS 16 – Leases: On January 13, 2016, the IASB issued the final version of IFRS 16 Leases. The new standard will replace IAS 17 Leases and is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applying IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets. The Company is evaluating the effect of this standard on the Company's consolidated financial statements.

- IFRIC 23 – Uncertainty Over Income Tax Treatments: clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. The Company does not expect that the adoption of this standard will have a material effect on the Company's consolidated financial statements.

Significant Accounting Estimates and Judgements

The Company makes certain estimates and judgments regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Judgments

Going concern

The preparation of the consolidated financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 3 in the Financial Statements.

Functional currency determination

The preparation of the consolidated financial statements requires management to make judgments regarding the functional currencies of the Company and its subsidiaries. As discussed in Note 4(b) in the Financial Statements, the functional currency of the Company has been determined to be the CAD, while the functional currencies of its subsidiaries are as listed in Note 4(c).

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Determination of Stevia Cash Generating Unit

The stevia operation is set up as an integrated supply chain whereby each subsidiary specializes in part of the supply chain. The stevia operations include: an agricultural unit, primary processing plants and secondary processing plants.

Centralized production planning takes place across the entire supply chain. It starts with the worldwide sales forecast of the stevia products for secondary processing plants, which then translates into production forecasts for secondary processing plants. The production forecasts for secondary processing plants then define how much products will be required from the primary processing plants.

The design of the integrated supply chain makes the cash flows for each component of the supply not sufficiently independent of all the components in order to break down the cash flows any lower than the stevia business level. Therefore, management has treated the four stevia processing plants, the agricultural unit as well as the North American offices as included in a single CGU ("Stevia CGU").

Determination of Monk Fruit Cash Generating Unit

The Monk Fruit operation is set up as an integrated supply chain whereby each subsidiary specializes in part of the supply chain. The Monk Fruit operations include an agricultural unit and processing plants in China.

Centralized production planning takes place across the entire supply chain. It starts with the worldwide sales forecast of the Monk Fruit products for processing plants.

The management has treated the Monk Fruit processing plants, as included in a single CGU ("Monk Fruit CGU").

Impairment of long-lived assets

The Company performs impairment testing annually for long-lived assets as well as when circumstances indicate that there may be impairment for these assets. Management judgement is involved in determining if there are circumstances indicating that testing for impairment is required, and in identifying Cash Generating Units ("CGUs") for the purpose of impairment testing.

The Company assesses impairment by comparing the recoverable amount of a long-lived asset, CGU, or CGU group to its carrying value. The recoverable amount is defined as the higher of: (i) value in use; or (ii) fair value less cost to sell. The determination of the recoverable amount involves management judgement and estimation. These estimates and assumptions could affect the Company's future results if the current estimates of future performance and fair values change. These determinations will affect the amount of amortization expense on the long-lived assets. See Note 11 in the Financial Statements for further details.

<u>Uncertainty estimation</u>

Inventories

The Company estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Depreciation and Amortization

The Company's property, plant and equipment are depreciated and amortized on a straight-line basis, taking into account the estimated useful lives of the assets and residual values. Changes to these estimates may affect the carrying value of these assets, inventories, net earnings, and comprehensive income (loss) in future periods.

Income Tax Estimates

The Company provides for income taxes based on currently available information in each of the jurisdictions in which we operate. The calculation of income taxes in many cases, however, requires significant judgment in interpreting tax rules and regulations. Our tax filings are subject to audits, which could materially change the

amount of current and deferred income tax assets and liabilities, and could, in certain circumstances, result in the assessment of interest and penalties.

Sales Tax Recoverable

The Company makes allowances for sales tax recoverable based on its expected future profits and its best estimate of the realization of the sales tax recoverable.

Allowance for Doubtful Accounts

The Company makes allowances for doubtful accounts based on its best estimate of the amount of probable credit losses in existing accounts receivable. These are determined based on historical write-off experiences and customer economic data.

Share-based Compensation

Estimating fair value for granted stock options and restricted shares requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the share-based compensation expense for the period along with the assumptions and model used for estimating fair value for stock-based compensation transactions are disclosed in Note 17 of the Financial Statements.

Corporate and Sales Developments

GLG Announces Related Party Debt Restructuring Shareholder Approval and Completion of Transaction

The Company held its Annual General and Special Meeting (the "Meeting") on May 29, 2017, in Richmond, British Columbia, at which shareholders were asked to vote on a major step in the Company's debt restructuring plans.

The Company's Board of Directors had appointed an Independent Special Committee to oversee the debt restructuring process, which led to a two-phase plan to eliminate over 80% of the Company's outstanding debt and interest. The process the Board utilized in developing its recommendation to shareholders for the restructuring of its China-based debt is described in the Meeting Circular.

As part of the Special Shareholder Meeting, shareholders were asked to vote on the first phase of this two-phase plan. The first phase is a related party transaction (the "Transaction") to eliminate the Company's related party Chinese debt held by the Company's Chairman and CEO and family members; in exchange, the related parties receive minority equity ownership in GLG's primary Chinese subsidiary (the "Subsidiary"). As a related party transaction, under TSX rules, the Company was required to obtain majority shareholder approval from disinterested shareholders.

On May 29, 2017, the Company reported that the shareholders had approved the Transaction. Of the eligible votes cast, 18,037,225 eligible voting shares, representing 99.64% of the eligible votes cast, voted in favor of the Transaction. The Company has since fully executed the Transaction.

Completing this Transaction was not only important for reducing the Company's related party debt; more significantly, it is a prerequisite of the Chinese bank debtholders to proceed with the second phase of the debt restructuring plan. As President and CFO Brian Meadows commented after the meeting: "We are pleased to have the required approval to complete this first phase of our debt restructuring plan. We will now turn our attention to completing the second phase, whereby we expect to eliminate the substantial debts held by Chinese banks and state-owned capital management companies. As our Board's Independent Special Committee concluded, we view this restructuring plan as very beneficial for our shareholders and for our Company's plans

for growth." Together, once the second phase is agreed to by all parties and completed, the Company expects that the two-phase restructuring plan will have eliminated approximately $80 million in debt principal, have waived approximately $20 million in accrued interest and penalties, and save approximately $8 million in annual interest expenses.

Such substantial reduction in debt will greatly improve the Company's balance sheet and its ability to generate new sources of working capital to fund sales expansion.

GLG Announces Completion of Major Milestone with Registration of Joint Stock Company; Provides Update on Phase 2 Debt Restructure

On November 9, the Company announced that it had completed the China Government approval of the Joint Stock Company status and formerly registered the GLG-controlled new subsidiary – Anhui Runhai Biotechnology Joint Stock Company Limited ("RHJS").

This milestone allows GLG's RHJS to add new investors to its capital base including the conversion of the third-party debt into equity holders and the potential to add new China-based investors. This formal approval of the Joint Stock Company is critical to the second phase of debt restructure.

The Company also provided an update on the second phase debt restructure, reporting that the negotiations are going well for a draft agreement with all the lenders and that the Company expects to reach a final agreement to convert all third-party debt into equity into GLG's RHJS. The company plans to provide all necessary public disclosure once the final plan is agreed by all parties including GLG's Board of Directors.

In addition, the Company has been in discussions with other potential investors who have shown interest in investing in GLG's RHJS. Potential investments by additional third parties in GLG's subsidiary are expected to close in 2018.

Dr. Luke Zhang commented on the phase two debt restructuring, "We have made significant progress for our China operation from a wholly owned foreign enterprise (WOFE) into a Joint Stock Company. This approval by the Anhui Provincial Government marks many months of discussions and negotiations with various levels of Government and I am pleased to report to our shareholders that we believe that we are in the final stages of finalizing a deal with our lenders to convert all their debt and interest into equity in our Runhai Joint Stock Company. During this process we have demonstrated to our lenders and other potential investors the exciting opportunity that the stevia market represents and that GLG is well positioned within this market to gain good market share and continue to grow our sales. Our shareholders can be assured that the Company will work hard to complete the second phase of debt restructure and with it bring strong new shareholders in our Runhai subsidiary."

GLG and ADM Announce New High Reb M Product Line

On February 7, 2018, in collaboration with Archer Daniels Midland Company ("ADM"), the Company announced the newest addition to its portfolio of great-tasting stevia extracts, the new high Reb M product line. Made from GLG's proprietary high Reb M Dream Sweetener™ Stevia Leaf, this next generation stevia product line facilitates sugar replacement with better-tasting, low-calorie natural sweetening systems and solutions that provide a sugar-like sensory experience.

"With more than sixteen years of experience in developing zero-calorie natural sweeteners, we always have consumer preference foremost in mind, and our new high Reb M product line squarely addresses the calorie- and sugar-reduction goals of today's food and beverage industry," said Dr. Luke Zhang, CEO and Chairman of GLG. "These products provide a clean and full-bodied sweetness experience that is remarkably close to sugar, allowing for deeper calorie reduction through reduced sugar formulations. And with its sucrose-like sweetness,

these high Reb M products enable formulators to reduce sugar more than ever before and provide the end consumer with better-tasting healthier choices."

GLG's high Reb M products are developed from a physical extraction process from GLG's proprietary Dream Sweetener stevia leaves, which have exceptionally high quantities of those steviol glycosides (Reb M) that have a particularly sugar-like taste. High purity Reb M is two hundred to three hundred times sweeter than sucrose, giving it more upfront sweetness with reduced lingering and bitterness when compared to traditional stevia sweeteners. Other competing products in the market use chemical treatments or are produced using fermentation processes that employ non-natural, bio-engineered fermentation organisms and enzymes.

Furthermore, given that our high Reb M extracts are produced only from the leaf, our extracts can be used as sweeteners in jurisdictions such as Europe that otherwise do not permit such use of stevia extracts when produced using bioconversion or fermentation methods. Brian Meadows, President and CFO of GLG, commented: "Having this wide-ranging acceptance across key regulatory jurisdictions provides a significant advantage, not only for Europe-centric brands, but also for those global brands looking to distribute their products in all major global markets."

Whether used by itself or combined in a sweetener or flavor system, this high Reb M product line works well across all food and beverage applications without bitterness, astringent notes, or overly lingering sweetness previously associated with other stevia ingredients. It blends well with other natural sweeteners, such as monk fruit and sugar alcohols, to create balanced sweetness.

And these products can be used as both single sweeteners in sparkling beverages or employed in blends with other natural sweeteners, such as erythritol, allulose, and agave syrup. Due to their enhanced mouthfeel properties they are a perfect choice for low and no-calorie beverage applications. Because there are no enzyme enrichment or fermentation techniques employed in the production of GLG's Reb M product line, they are also clean label ingredients, an added benefit to formulators looking to meet the growing consumer demand for clean and clear labels and purposeful ingredients.

"GLG's high Reb M product line provides many different options for our customers who are seeking improved taste, greater calorie and added sugar reduction, and clean label solutions for their latest food and beverage innovations," said Rod Schanefelt, director, ADM, GLG's global sales and marketing partner. "Because GLG Dream Sweetener leaf is the direct source for these products, we can also offer customers an organic line of leaf-sourced high Reb M products through GLG, which gives formulators even more options. We are excited about the possibilities this new line of sweeteners opens for our customers."

GLG Announces Major Developments in High Reb M Stevia Plants and Product Innovations

On September 21, 2017, the Company announced an update on its major R&D programs for agriculture and, in collaboration with Archer Daniels Midland Company ("ADM"), a breakthrough in bioconversion that will enable commercialization of high purity Reb M and Reb D sweeteners found in the stevia leaf.

First, GLG has achieved a major breakthrough in its agricultural R&D program for high Reb M stevia plants. Through this program, GLG aims to revolutionize the global food and beverage industry by providing companies with the ability to replace sugars and artificial sweeteners with naturally-sourced Rebaudioside M ("Reb M"). On February 29, 2016, GLG announced a new variety of stevia seedling that contained 8% Rebaudioside M out of the total steviol glycosides ("TSG") present in that variety. Since then, GLG has developed high Reb M stevia varieties using non-GMO hybridization techniques.

GLG was pleased to announce the latest results from this program – that it has five new seedlings that have Reb M content ranging from 56.8% to 61.6% of TSG. These results have already significantly exceeded our target

of Reb M content of 50%. GLG measured fourteen glycosides including RM, RD, STV, RF, RN, RO, RN, RE, RA, STV Isomer, DA, RUB, RB and STB. The other notable glycosides present were RN (average 7.4%) and RF (average 17.0%). The TSG level in these five new varieties was much lower than our high Reb A plants and the next phase of the R&D program will be to focus on increasing TSG and Reb M levels. GLG has a great deal of experience in increasing TSG and plant size as it has done with its Reb A varieties. These are just the initial results of last year's agriculture program, and GLG expects to have additional results in the coming weeks and will release any additional major findings and developments as it has them.

The significance of these results cannot be understated. Reb M, one of several steviol glycosides found in the stevia plant, is highly desired in the industry as a natural, zero-calorie sugar and sweetener replacement, one that very closely resembles sugar. To date, the impediment to utilizing Reb M has been its scarce presence in the stevia leaf, making commercial use cost-prohibitive. With this level of Reb M content, GLG can cost effectively produce high Reb M stevia extract for costs similar to the cost of today's high Reb A stevia extracts. GLG's new high Reb M stevia varieties pave the way to bringing a naturally-sourced Reb M extract to the market on a commercial scale.

All hybridization techniques used to develop these new varieties are non-GMO, which will maintain the integrity of GLG's leading stevia non-GMO product portfolio. These achievements have been accelerated with the utilization of advanced genomic screening techniques that result in a more efficient selection of candidate stevia lines and crossings with a number of patented GLG stevia varieties. This latest achievement further demonstrates GLG's leading position in the global stevia industry. The next steps will be to propagate these seedlings and ultimately develop a seed variety that will be made available to farmers, which will reduce their cost of growing high Reb M stevia leaf as well as protect GLG's intellectual property. GLG is in the process of filing for patent protection for its new high Reb M seedlings. GLG has a unique gene fingerprint for its stevia plants, which will be an integral part of protecting its intellectual property with these new Reb M varieties.

Second, GLG and ADM, the exclusive global marketer and distributor of GLG's stevia and monk fruit sweeteners, have achieved a major breakthrough in the co-development of high Reb M and high Reb D stevia extracts using bioconversion techniques. GLG and ADM expect that these products will fill the short-term market demand before the high Reb M stevia varieties are commercially available for planting (in approximately the next two to three years). The two companies, working together with several third-party partners, have achieved purity levels exceeding 98% for Reb M and 99% for Reb D stevia extracts. ADM and GLG expect to be in commercial production for high Reb M and high Reb D extracts starting in the first quarter of 2018 using a bioconversion production technology. This strategy will allow for earlier sale of high Reb M and high Reb D extracts until the leaf-based extracts are available from its high Reb M leaf.

Dr. Luke Zhang, CEO and Chairman of GLG, commented: "We are so pleased to announce this breakthrough for high Reb M stevia plants. Based on GLG's strong track record of developing high Reb A, high Reb C and high STV stevia varieties, I was always confident that we would develop a high Reb M variety using our core R&D patented technology. The team has exceeded my expectations in achieving these results in a little over 18 months since we kicked off our Phase II Reb M Seedling program. I am also excited by our Bioconversion R&D program, which will allow us to offer our customers high Reb M and high Reb D stevia extracts starting in 2018. These products will serve as an interim bridge until our high Reb M stevia leaf is grown commercially a few years later. We expect strong demand from international customers for these better tasting stevia extracts. A leaf that contains almost 60% Reb M will allow us to offer these products at very similar prices to today's Reb A products."

"Consumers today are looking for natural, clean label foods and drinks that taste great," said Rodney Schanefelt, director, sugar and high intensity sweeteners, for ADM. "We are excited about these breakthroughs, and look

forward to expanding the array of innovative, low-calorie stevia and monk fruit sweeteners we can offer to customers around the globe."

GLG Announces Breakthrough Development of Super RA Seed

On September 26, 2017, the Company announced another major breakthrough in its agricultural R&D program. GLG's industry-leading agricultural team has successfully produced a seed that will grow its Super RA variety of stevia with unprecedented levels of RA content.

In late 2014, the Company announced that it developed a new stevia seedling variety with approximately 75% Rebaudioside A ("Reb A") content relative to the total steviol glycosides ("TSG") present in the leaf. GLG dubbed this seedling variety – and its further progeny – Super RA, and proceeded to apply for patent protection for this variety. The Company has since been further developing this seedling into a mature robust plant, as well as the development of seed that will be used to grow the Super RA plants.

Now the Company has announced that it has successfully developed the Super RA seed in another major stevia agriculture breakthrough. This major development carries three benefits.

First, the extraordinarily high levels of Reb A levels present in the Super RA leaf are expected to dramatically cut GLG's cost of production of Reb A extracts. The Reb A levels in the leaf grown from the Super RA seed are nearly 80% (79.36%) of TSG, with the TSG at an unusually high level of 15%. This results in the Super RA leaf itself comprising 12% Reb A content. Typical stevia leaf has Reb A levels of approximately 6%. Simply put, GLG's Super RA leaf contains twice the amount of Reb A as typical stevia leaf. With leaf being the major cost component of stevia extracts, and with only half the amount of leaf required to produce GLG'S Reb A extracts made from Super RA leaf, GLG expects to achieve significant lower production costs by using the Super RA leaf.

Second, the ability to grow the plant from seed is crucial for preventing third parties from the unauthorized use of the Company's patent-protected Super RA leaf. In addition to patent protections, GLG's seeds, including the Super RA seed, produce plants that will not themselves generate the same Super RA seeds; any plants grown from such second-generation seeds will be vastly inferior. In other words, in order to plant for successive seasons, farmers must be given access to GLG's original seeds. This puts GLG in a unique position to control, and to benefit from, its Super RA agriculture achievement, without the risks of intellectual property loss inherent to seedlings alone.

Third, this new seed brings great benefits for farmers as well. The cost of utilizing seed over seedlings is about 80% lower for seed. Based on GLG's experience with its prior H3 seed family, which has proven to be extremely popular among Chinese farmers, given its lower cost of growing, vigorous plants, and larger biomass produced per acre, farmers will have strong incentive to grow the Super RA plants for GLG. With a lower cost basis, GLG also expects to contract with farmers at highly favorable prices while still providing the farmers with a great return for their efforts.

Dr. Luke Zhang, CEO and Chairman of GLG, commented: "The development of the Super RA seed is a remarkable achievement by our GLG Agriculture subsidiary in China. Our team has had a number of major stevia agriculture developments since 2014 and the development of the Super RA seed is one our biggest achievements to date. GLG is the only stevia company in China that has a subsidiary dedicated to the development of enhanced stevia seeds and seedlings and has received a number of patents on its work and awards. GLG first successfully patented its H3 seed five years ago and stevia farmers love working with it due to the lower cost compared to seedlings. GLG is also the only company in China to have achieved patented seed technology that grows single-use hybrids with high plant mass, high steviol glycosides and high Rebaudioside A. The Super RA seed will take over from our H3 seed and deliver two times the Reb A weight in our leaf compared to existing stevia seedlings available in the market. The farmers will only be able to buy the Super RA seed from GLG, which is expected to

provide GLG more control over the stevia market in China. The lower cost of growing to the farmer will make the Super RA seed very appealing to the farmer resulting in a win for the farmer and a win for GLG. No other stevia competitor in China has this technology or a patent to develop seeds for high RA plants."

Brian Meadows, President of GLG, commented, "This Super RA seed achievement is truly a win-win-win. It is a win for GLG's customers given expected lower costs of production. It is a win for the farmers given the 80% lower costs with stevia seeds rather than seedlings. And it is a win for the Company's shareholders, given the Company's expected ability to expand its customer base, revenues, and profits atop these substantially lower production costs and unique position to utilize the Super RA seeds. GLG expects the benefits from the development of the Super RA seed to flow for years to come. In 2018, the Company will begin rolling out its Super RA seed in limited quantities, and in 2019, the Company expects to begin planting the Super RA seed on a large, virtually unlimited, scale. "

GLG Announces Re-Election of Board of Directors

Concurrent with the May 29, 2017, related party transaction approval announcement described above, the Company also announced that the shareholders voted in all nominated directors, with favorable votes for each exceeding 99.9%. Dr. Luke Zhang continues as Chairman of the Board and Chief Executive Officer and Brian Palmieri continues as Vice Chairman of the Board.

Results from Operations

The following results from operations have been derived from and should be read in conjunction with the Company's annual consolidated financial statements for 2017 and 2016.

In thousands Canadian $, except per share amounts	3 Months Ended	December 31	% Change			% Change
	2017	2016		2017	2016	
Revenue	$3,038	$4,928	(38%)	$19,388	$18,953	2%
Cost of Sales	($3,016)	($5,293)	(43%)	($18,483)	($19,342)	(4%)
% of Revenue	(99%)	(107%)	8%	(95%)	(102%)	7%
Gross Profit (Loss)	$22	($365)	(106%)	$905	($389)	(332%)
% of Revenue	1%	(7%)	8%	5%	(2%)	7%
Expenses	($1,232)	($3,157)	(61%)	($8,401)	($11,759)	(29%)
% of Revenue	(41%)	(64%)	24%	(43%)	(62%)	19%
(Loss) from Operations	($1,210)	($3,521)	(66%)	($7,496)	($12,148)	(38%)
% of Revenue	(40%)	(71%)	32%	(39%)	(64%)	25%
Other Expenses	($3,792)	($6,627)	(43%)	($10,071)	($11,657)	(14%)
% of Revenue	(125%)	(134%)	10%	(52%)	(62%)	10%
Net (Loss) before Income Taxes	($5,002)	($10,148)	(51%)	($17,567)	($23,805)	(26%)
% of Revenue	(165%)	(206%)	41%	(91%)	(126%)	35%
Net (Loss)	($5,002)	($10,148)	(51%)	($17,567)	($23,805)	(26%)
% of Revenue	(165%)	(206%)	41%	(91%)	(126%)	35%
Net (Loss) Attributable to Non-Controlling Interest (NCI)	($301)	N/A	N/A	($733)	N/A	N/A
Net (Loss) Attributable to GLG	($4,701)	($10,148)	(54%)	($16,833)	($23,805)	(29%)
% of Revenue	(155%)	(206%)	51%	(87%)	(126%)	39%
Loss per share (LPS, Basic & Diluted)	($0.12)	($0.27)	(54%)	($0.44)	($0.63)	(30%)
Other Comprehensive Income (Loss)	($791)	$831	(195%)	($357)	$1,641	N/A
% of Revenue	(26%)	17%	(43%)	(2%)	9%	(11%)
Comprehensive Income (Loss)	($5,793)	($9,317)	(38%)	($17,924)	($22,164)	(19%)
Comprehensive Income (Loss) Attributable to NCI	($300)	N/A	N/A	($751)	N/A	N/A
Comprehensive Income (Loss) Attributable to GLG	($5,493)	($9,317)	(41%)	($17,173)	($22,164)	(23%)
% of Revenue	(181%)	(189%)	8%	(89%)	(117%)	28%

Revenue

Revenue for the three months ended December 31, 2017, was $3.0 million, a decrease of 38% compared to $4.9 million in revenue for the same period last year. International sales contributed 94% of fourth quarter 2017 revenues compared to 96% in the same period in 2016. The 38% decrease in sales, comparing the fourth quarter of 2017 to the same period in 2016, was driven almost entirely by a decrease in monk fruit sales (decrease of $2.1 million over previous year monk fruit sales) to international customers. The decrease in monk fruit sales reflects the Company's previous disclosure that the Company has seen a decline in the size of the monk fruit market and that the company continues to be focused on international stevia sales, where it sees the most potential for growth in the zero-calorie natural sweetener market.

Despite the decrease in revenues for the quarter, international stevia sales rose by 4% in the fourth quarter. International stevia sales were impacted negatively by the installation of a new gas boiler at one of GLG's key manufacturing facilities. This facility was shut down for approximately 4 weeks during the installation period, negatively impacting fourth quarter production and deliveries. The gas boiler installation, converting from coal to gas power, was important to GLG, reflecting GLG's commitment to both the environment and compliance with local government.

Revenue for the year 2017 was $19.4 million, an increase of 2% compared to $18.9 million in revenue for the prior year. This 2% increase in sales, comparing 2017 to 2016, was driven by a number of factors including an increase of 47% in international stevia sales, which was offset by a 26% decrease in China stevia sales and an 85% decrease in monk fruit sales. The decrease in monk fruit sales reflects the Company's previous disclosure that the Company has seen a decline in the size of the monk fruit market and that the expected sales growth will be in the international stevia market. International sales contributed 94% of full year 2017 revenues, which is up 3 percentage points from the amount for the same period in 2016 (91%).

Full-year international stevia sales increased by $5.5 million or a 47% year over year increase reflecting strong sales through its global distribution partner (ADM) in 2017 and is the key result that is expected to further grow sales into 2018 and beyond. International stevia volumes increased 82% year over year, reflecting the Company's successful acquisition of new customers, both directly and through the Company's partnership with ADM.

Cost of Sales

For the quarter ended December 31, 2017, the cost of sales was $3.0 million compared to $5.3 million in cost of sales for the same period last year ($2.3 million or 43% decrease). Cost of sales as a percentage of revenues was 99% for the fourth quarter 2017, compared to 107% for the comparable period. Cost of sales as a percentage of revenues improved by 8 percentage points in the fourth quarter compared to the previous year. The main factor contributing to the improvement in cost of sales as a percentage of revenues was improvements in the costs to produce stevia products. This improvement was partly offset by an increase in idle capacity costs charges in the fourth quarter of 2017 compared to the prior period charges.

Cost of sales for the twelve months ended 2017 was $18.5 million compared to $19.3 million for 2016 ($0.8 million or 4% decrease). Cost of sales as a percentage of revenues was 95% in 2017 compared to 102% in 2016, an improvement of 7 percentage points. The improvement to cost of sales as a percentage of revenue was driven entirely by the improved lower cost to produce stevia extracts in 2017 compared to the previous year. Idle capacity charges ($2.2 million) contributed to 12% of cost of sales for the full year 2017, compared to 13% of prior year cost of sales.

Capacity charges charged to the cost of goods sold ordinarily would flow to inventory and is the largest factor on reported gross margin. Only two of GLG's manufacturing facilities were operating during 2017.

The key factors that impact stevia and monk fruit cost of sales and gross profit percentages in each period include:

1. Capacity utilization of stevia and monk fruit manufacturing plants.
2. The price paid for stevia leaf and monk fruit, and their respective quality which is impacted by crop quality for a particular year/period, and the price per kilogram for which the stevia and monk fruit extracts are sold. These are the most important factors that will impact the gross profit of GLG's stevia and monk fruit business.
3. Other factors which also impact stevia cost of sales to a lesser degree include:
    - water and power consumption;
    - manufacturing overhead used in the production of stevia and monk fruit extract, including supplies, power and water;
    - net VAT paid on export sales;
    - exchange rate changes; and

- depreciation and capacity utilization of the extract processing plants.

GLG's stevia and monk fruit businesses are affected by seasonality. The harvest of the stevia leaves typically occurs starting at the end of July and continues through the fall of each year. The monk fruit harvest takes place typically from October to December each year. GLG's operations in China are also impacted by Chinese New Year celebrations, which occur approximately late-January to mid-February each year, and during which many businesses close down operations for approximately two weeks. GLG's production year runs October 1 through September 30 each year.

Gross Profit (Loss)

Gross loss for the three months ended December 31, 2017, was $0.0 million, compared to a negative $0.4 million gross profit for the comparable period in 2016 or an improvement of $0.3 million. The gross profit margin for the three-month period ended December 31, 2017, was 1% compared to negative 7% for the prior period, or an improvement of 8 percentage points from the previous year. The major contributors to the improvement in fourth quarter gross profit were improvements in both stevia and monk fruit profitability in the fourth quarter of 2017 compared to the prior period, which was offset by higher capacity charges in the fourth quarter of 2017 compared to the prior period. As previously stated, one of the key production facilities was shut down for approximately 4 weeks during the fourth quarter of 2017 due to a new gas boiler installation.

Gross profit for 2017 was $0.9 million, an increase of $1.3 million from a negative $0.4 million gross profit for the comparable period in 2016. The gross profit margin for the year ended December 31, 2017, was 5% compared to negative 2% for the year ended December 31, 2016, or an improvement of 7 percentage points from the previous year. Gross margin was increased by improved margins on international stevia sales as well as monk fruit sales compared to the prior period.

Selling, General, and Administration Expenses

Selling, General and Administration ("SG&A") expenses include sales, marketing, general and administration costs ("G&A"), stock-based compensation, and depreciation and amortization expenses on G&A fixed assets. A breakdown of SG&A expenses into these components is presented below:

In thousands Canadian $	3 Months Ended December 31		% Change			% Change
	2017	2016		2017	2016	
G&A Exp	$695	$1,982	(65%)	$6,212	$8,635	(28%)
Stock Based Compensation Exp	$160	$186	(14%)	$648	$947	(32%)
Amortization Exp	$377	$989	(62%)	$1,541	$2,177	(29%)
Total	$1,232	$3,157	(61%)	$8,401	$11,759	(29%)

G&A expenses for the three months ended December 31, 2017, was $0.7 million compared to $2.0 million in the same period in 2016 or a decrease of 65% or $1.3 million. The majority of the decrease was due to a one-time reduction in land use right taxes in China ($0.8 million) and reductions in salaries and wages and professional services ($0.4 million).

G&A for the year ended December 31, 2017, was $6.2 million compared to $8.6 million in the same period in 2016 or a decrease of 28% or $2.4 million. The majority of the decrease was due to a one-time reduction in land use right taxes in China ($0.8 million) and reductions in salaries and wages and professional services ($1.1 million) and other consulting services ($0.3 million).

Stock-based compensation was $0.2 million for the three months ended December 31, 2017, compared with $0.2 million in the same quarter of 2016. The number of common shares available for issue under the stock

compensation plan is 10% of the issued and outstanding common shares. During the quarter, compensation from vesting stock-based compensation awards was recognized, due to previously granted options and restricted shares.

Stock-based compensation was $0.6 million for 2017 compared with $0.9 million in 2016.

G&A-related depreciation and amortization expenses for the three months ended December 31, 2017, were $0.4 million compared with $1.0 million for the same quarter of 2016.

G&A-related depreciation and amortization expenses for the year ended December 31, 2017, were $1.5 million compared with $2.2 million for the prior year.

Other Expenses

In thousands Canadian $	3 Months Ended December 31		% Change			% Change
	2017	2016		2017	2016	
Other (Expenses)	($3,792)	($6,627)	(43%)	($10,071)	($11,657)	(14%)
% of Revenue	(125%)	(134%)	10%	(52%)	(62%)	10%

Other expenses for the three months ended December 31, 2017, was $3.7 million, a $2.9 million decrease compared to $6.6 million for the same period in 2016. The decrease in other expenses for the fourth quarter of 2017 of $2.9 million is attributable to (1) a decrease in asset impairments of $1.4 million, (2) an increase in government tax rebates of $2.1 million, (3) a reduction in interest expenses of $0.8 million, (4) a decrease in inventory impairment recovery expenses of $0.2 million, (5) a reduction in recoveries from bad debts of $0.1 million and (6) a reduction in recoveries of impaired prepaid expenses of $0.1 million, which were offset by (7) an increase in foreign exchange losses of $1.6 million, and (8) a reduction in gains on debt forgiveness of $0.2 million.

Other expenses for the year ended December 31, 2017, decreased from $11.7 million in 2016 to $10.0 million for the current year or a decrease of $1.7 million. The decrease in other expenses for the full year 2017 of $1.7 million is attributable to (1) a decrease in asset impairments of $1.5 million, (2) an increase in government tax rebates of $2.1 million, (3) a reduction in interest expenses of $1.0 million, (4) a decrease in inventory impairment recovery expenses of $0.5 million and (5) a reduction in recoveries of impaired prepaid expenses of $0.1 million, which were offset by (5) a decrease in foreign exchange gains of $1.6 million, (6) a reduction in gains on debt forgiveness of $0.2 million, (7) a reduction in other income of $1.3 million and (8) a reduction in recoveries from bad debts of $0.4 million.

Foreign Exchange Gains (Losses)

Exchange rates	2017	2017	2017	2017	2016	2016	2016	2016
Rate (as compared to the Canadian $)	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar
U.S. Dollars	0.7971	0.8013	0.7706	0.7506	0.7448	0.7624	0.7687	0.7710
Chinese RMB	5.1867	5.3305	5.2247	5.1706	5.1813	5.0839	5.1099	4.9727

Exchange rates	2017	2017	2017	2017	2016	2016	2016	2016
Rate (as compared to the US $)	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar
Chinese RMB	6.5064	6.6545	6.7769	6.8905	6.9437	6.6687	6.6443	6.44935

GLG reports in Canadian dollars but earns revenues in US dollars and Chinese renminbi ("RMB") and incurs most of its expenses in RMB. Impacts of the appreciation or depreciation of the RMB against the Canadian dollar are shown separately in Accumulated Other Comprehensive Income ("AOCI") on the Balance Sheet. As at December 31, 2017, the exchange rate for RMB per Canadian dollar was 5.1867 compared to the exchange rate

of 5.1813 as at December 31, 2016, reflecting a depreciation of the RMB against the Canadian dollar. As at December 31, 2017, the exchange rate for USD per Canadian dollar was 0.7971 compared to the exchange rate of 0.7448 as at December 31, 2016, reflecting a depreciation of the USD against the Canadian dollar. The balance of the AOCI was $9.2 million on December 31, 2017, compared to a balance of $13.2 million as at December 31, 2016.

The foreign exchange gain or loss is made up of realized and unrealized gains or losses due to the depreciation or appreciation of the foreign currency against the Canadian dollar. Foreign exchange losses were $0.8 million for the fourth quarter of 2017 compared to the foreign exchange gain of $0.7 million for the comparable period in 2016. Foreign exchange gains for the twelve months ended December 31, 2017, were $0.3 million compared to the foreign exchange gains of $1.8 million for the comparable period in 2016. The table above shows the change in the Canadian dollar relative to the US dollar and RMB from March 31, 2016, to December 31, 2017, as well as the exchange rate movement for the US dollar relative to the RMB as shown above.

Net Loss Attributable to the Company

In thousands Canadian $	3 Months Ended December 31		% Change			% Change
	2017	2016		2017	2016	
Net Loss	($5,002)	($10,148)	(51%)	($17,567)	($23,805)	(26%)
Net Loss Attributable to NCI	($301)	N/A	N/A	($733)	N/A	N/A
% of Revenue	(10%)	N/A	N/A	(4%)	N/A	N/A
Net Loss Attributable to GLG	($4,701)	($10,148)	(54%)	($16,833)	($23,805)	(29%)
% of Revenue	(155%)	(206%)	51%	(87%)	(126%)	39%

For the three months ended December 31, 2017, the Company had a net loss attributable to the Company of $4.7 million, a decrease of $5.4 million or a 54% improvement over the comparable period in 2016 ($10.1 million loss). The decrease in net loss was driven by (1) an increase in gross profit of $0.4 million, (2) a decrease in SG&A expenses of $1.9 million, (3) a decrease in other expenses of $2.8 million and (4) an increase in loss of $0.3 million attributable to non-controlling interests.

For the year ended December 31, 2017, the Company had a net loss attributable to the Company of $16.8 million, a decrease of $7.0 million or an improvement of 29% over the comparable period in 2016 ($23.8 million loss). The decrease in net loss was driven by (1) an increase in gross profit of $1.3 million, (2) a decrease in SG&A expenses of $3.4 million, (3) a decrease in other expenses of $1.6 million and (4) an increase in loss of $0.7 million attributable to non-controlling interests.

Comprehensive Loss

In thousands Canadian $	3 Months Ended December 31		% Change			% Change
	2017	2016		2017	2016	
Net Loss Attributable to GLG	($4,701)	($10,148)	(54%)	($16,833)	($23,805)	(29%)
Other Comprehensive Income (Loss)	($791)	$831	(195%)	($357)	$1,641	(122%)
Total Comprehensive Income (Loss)	($5,793)	($9,317)	(38%)	($17,924)	($22,164)	(19%)
Comprehensive Income (Loss) Attributable to NCI	($300)	N/A	N/A	($751)	N/A	N/A
Comprehensive Income (Loss) Attributable to GLG	($5,493)	($9,317)	(41%)	($17,173)	($22,164)	(23%)
% of Revenue	(181%)	(189%)	8%	(89%)	(117%)	28%

The Company recorded total comprehensive loss of $5.5 million for the three months ended December 31, 2017, comprising $4.7 million of net loss attributable to the Company and $0.8 million of other comprehensive loss. The Company recorded total comprehensive loss of $9.3 million for the three months ended December 31, 2016,

comprising $10.1 million of net loss attributable to the Company and $0.8 million of other comprehensive income.

The Company recorded a total comprehensive loss of $17.2 million for the year ended December 31, 2017, comprising $16.8 million of net loss attributable to the Company and $0.4 million of other comprehensive loss. The Company recorded a total comprehensive loss of $22.2 million for the year ended December 31, 2016, comprising $23.8 million of net loss attributable to the Company and $1.6 million of other comprehensive income.

Summary of Quarterly Results

The selected consolidated information below has been gathered from GLG's quarterly condensed interim consolidated financial statements for the previous eight quarterly periods.

Quarterly Net Loss

In thousands Canadian $, except per share amounts	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1
Revenue	$3,038	$3,713	$6,387	$6,251	$4,928	$4,155	$4,329	$5,541
Gross Profit $	$22	($300)	$575	$608	($365)	($127)	$3	$99
Gross Profit %	1%	(8%)	9%	10%	(7%)	(3%)	0%	2%
Net Income (Loss) Attributable to GLG	($4,701)	($3,810)	($3,867)	($4,455)	($10,148)	($5,291)	($4,021)	($4,345)
Basic Income (Loss) Per Share	($0.12)	($0.10)	($0.10)	($0.12)	($0.27)	($0.14)	($0.11)	($0.11)

For the three months ended December 31, 2017, the Company had a net loss attributable to the Company of $4.7 million, a decrease of $5.4 million or a 54% improvement over the comparable period in 2016 ($10.1 million loss). The decrease in net loss was driven by (1) an increase in gross profit of $0.4 million, (2) a decrease in SG&A expenses of $1.9 million, (3) a decrease in other expenses of $2.8 million and (4) an increase in loss of $0.3 million attributable to non-controlling interests.

For the three months ended September 30, 2017, the Company had a net loss of $3.8 million, a decrease of $1.5 million or a 28%improvement over the comparable period in 2016 ($5.3 million loss). The $1.5 million decrease in net loss was driven by (1) a decrease in other income (expenses) ($1.2 million), (2) a decrease in SG&A expenses ($0.2 million) and (3) an increase in the net loss attributable to the non-controlling interest ($0.3 million), which were offset by a decrease in gross profit ($0.2 million).

For the three months ended June 30, 2017, the Company had a net loss of $3.9 million, a decrease of $0.1 million or an 4% improvement over the comparable period in 2016 ($4.0 million loss). The $0.1 million decrease in net loss was driven by (1) an increase in gross profit ($0.6 million), (2) a decrease in SG&A expenses ($0.5 million) and (3) $0.1 million of net loss attributable to the non-controlling interest, which were offset by (4) an increase in other expenses ($1.0 million).

For the three months ended March 31, 2017, the Company had a net loss of $4.4 million, an increase of $0.1 million or 3% over the comparable period in 2016 ($4.3 million). The $0.1 million increase in net loss was due to (1) an increase in other expenses ($1.4 million), mainly attributable to a $0.9 million increase in foreign exchange loss and a $0.5 million decrease in bad debt recovery, which was offset by (2) an increase in gross profit ($0.5 million) and (3) a decrease in SG&A expenses ($0.8 million).

For the three months ended December 31, 2016, the Company had a net loss attributable to the Company of $10.1 million, a decrease of $1.4 million or a 12% improvement over the comparable period in 2015 ($11.6 million loss). The decrease in net loss was driven by (1) a decrease in other expenses of $1.3 million and (2) a decrease in SG&A expenses of $0.7 million, which were offset by (3) a decrease in gross profit $0.6 million.

For the three months ended September 30, 2016, the Company had a net loss of $5.3 million, a decrease of $0.6 million or 10% over the comparable period in 2015 ($5.9 million loss). The $0.6 million decrease in net loss was driven by (1) a decrease in other expenses ($0.8 million), which was offset by (2) a decrease in gross profit ($0.2 million) and (3) an increase in G&A expenses ($0.1 million).

For the three months ended June 30, 2016, the Company had a net loss of $4.0 million, an increase of $0.5 million or 14% over the comparable period in 2015 ($3.5 million loss). The increase in net loss was driven by (1) a decrease in gross profit ($0.9 million) and (2) an increase in G&A expenses ($0.2 million), which were offset by a decrease in other expenses ($0.6 million).

For the three months ended March 31, 2016, the Company had a net loss attributable to the Company of $4.3 million, a decrease of $0.5 million or a 9% improvement over the comparable period in 2015 ($4.8 million loss). The decrease in net loss was driven by (1) a decrease in other expenses ($1.3 million), which was offset by (2) an increase in SG&A expenses ($0.6 million) and (3) a decrease in gross profit ($0.2 million).

Quarterly Basic and Diluted Loss per Share

The basic loss and diluted loss per share from operations was $0.12 for the three months ended December 31, 2017, compared with a basic and diluted net loss of $0.27 for the same period in 2016. For the three months ended December 31, 2017, the Company had a net loss attributable to the Company of $4.7 million, a decrease of $5.4 million or a 54% improvement over the comparable period in 2016 ($10.1 million loss). The decrease in net loss was driven by (1) an increase in gross profit of $0.4 million, (2) a decrease in SG&A expenses of $1.9 million, (3) a decrease in other expenses of $2.8 million and (4) an increase in loss of $0.3 million attributable to non-controlling interests.

The basic loss and diluted loss per share from operations was $0.10 for the three months ended September 30, 2017, compared with a basic and diluted net loss of $0.14 for the same period in 2016. For the three months ended September 30, 2017, the Company had a net loss of $3.8 million, a decrease of $1.5 million or a 28% improvement over the comparable period in 2016 ($5.3 million loss). The $1.5 million decrease in net loss was driven by (1) a decrease in other income (expenses) ($1.2 million), (2) a decrease in SG&A expenses ($0.2 million) and (3) an increase in the net loss attributable to the non-controlling interest ($0.3 million), which were offset by a decrease in gross profit ($0.2 million).

The basic loss and diluted loss per share from operations was $0.10 for the three months ended June 30, 2017, compared with a basic and diluted net loss of $0.11 for the same period in 2016. For the three months ended June 30, 2017, the Company had a net loss of $3.9 million, a decrease of $0.1 million or an 4% improvement over the comparable period in 2016 ($4.0 million loss). The $0.1 million decrease in net loss was driven by (1) an increase in gross profit ($0.6 million), (2) a decrease in SG&A expenses ($0.5 million) and (3) $0.1 million of net loss attributable to the non-controlling interest, which were offset by (4) an increase in other expenses ($1.0 million).

The basic loss and diluted loss per share from operations was $0.12 for the three months ended March 31, 2017, compared with a basic and diluted net loss of $0.11 for the comparable period in 2016. For the three months ended March 31, 2017, the Company had a net loss of $4.4 million, an increase of $0.1 million or 3% over the comparable period in 2016 ($4.3 million). The $0.1 million increase in net loss was due to (1) an increase in other expenses ($1.4 million), mainly attributable to a $0.9 million increase in foreign exchange loss and a $0.5 million decrease in bad debt recovery, which was offset by (2) an increase in gross profit ($0.5 million) and (3) a decrease in SG&A expenses ($0.8 million).

The basic loss and diluted loss per share from operations was $0.27 for the three months ended December 31, 2016, compared with a basic and diluted net loss from both continuing and discontinued operations of $0.31 for the same period in 2015. For the three months ended December 31, 2016, the Company had a net loss attributable to the Company of $10.1 million, a decrease of $1.4 million or a 12% improvement over the comparable period in 2015 ($11.6 million loss). The decrease in net loss was driven by (1) a decrease in other expenses of $1.3 million and (2) a decrease in SG&A expenses of $0.7 million, which were offset by (3) a decrease in gross profit $0.6 million.

The basic loss and diluted loss per share from operations was $0.14 for the three months ended September 30, 2016, compared with a basic and diluted net loss of $0.15 for the same period in 2015. For the three months ended September 30, 2016, the Company had a net loss of $5.3 million, a decrease of $0.5 million or 10% over the comparable period in 2015 ($5.8 million loss). The $0.5 million decrease in net loss was driven by (1) a decrease in other expenses ($0.8 million), which was offset by (2) a decrease in gross profit ($0.2 million) and (3) an increase in G&A expenses ($0.1 million).

The basic loss and diluted loss per share from operations was $0.11 for the three months ended June 30, 2016, compared with a basic and diluted net loss of $0.09 for the same period in 2015. For the three months ended June 30, 2016, the Company had a net loss of $4.0 million, an increase of $0.5 million or 14% over the comparable period in 2015 ($3.5 million loss). The increase in net loss was driven by (1) a decrease in gross profit ($0.9 million) and (2) an increase in G&A expenses ($0.2 million), which were offset by a decrease in other expenses ($0.6 million).

The basic loss and diluted loss per share from operations was $0.11 for the three months ended March 31, 2016, compared with a basic and diluted net loss from both continuing and discontinued operations of $0.13 for the same period in 2015. For the three months ended March 31, 2016, the Company had a net loss attributable to the Company of $4.3 million, a decrease of $0.5 million or a 9% improvement over the comparable period in 2015 ($4.8 million loss). The decrease in net loss was driven by (1) a decrease in other expenses ($1.3 million), which was offset by (2) an increase in SG&A expenses ($0.6 million) and (3) a decrease in gross profit ($0.2 million).

NON-GAAP Financial Measures

Gross Profit (Loss) Before Capacity Charges

This non-GAAP financial measure shows the gross profit (loss) before the impact of idle capacity charges are reflected on the gross profit margin. GLG had only 50% of its production facilities in operation in 2017 and idle capacity charges have a material impact on the gross profit (loss) line in the financial statements.

Gross Margin before capacity charges for the three months ended December 31, 2017, was $0.6 million or 19% of fourth quarter revenues compared to negative $0.4 million or minus 7% of fourth quarter revenues in 2016. This is an increase of $1.0 million or a 26 percentage point improvement. The largest contributors to the improvement in the metric were improved gross margins on international stevia sales and monk fruit sales.

Gross Margin before capacity charges for the year ended December 31, 2017, was $3.1 million or 16% of 2017 revenues, compared to $2.1 million or 11% of 2016 revenues. This is an increase of $1.0 million or a 5 percentage point improvement. The largest contributors to the improvement in the metric were improved gross margins on international stevia sales and monk fruit sales.

Earnings Before Interest Taxes and Depreciation (“EBITDA”) and EBITDA Margin

In thousands Canadian $	3 Months Ended December 31		% Change			% Change
	2017	2016		2017	2016	
Loss Before Income Taxes	($5,002)	($10,148)	(51%)	($17,567)	($23,805)	(26%)
Add:						
Provisions for Inventories Impairment	$842	$1,040	(19%)	$589	$1,120	(47%)
Bad Debt (Recoveries for Receivables)	$0	$82	(100%)	$0	($446)	(100%)
Provision for Prepaids	$0	$72	(100%)	$0	$90	(100%)
Depreciation and Amortization	$630	$1,132	(44%)	$4,362	$5,491	(21%)
Provision for Tax Penalty (Government Tax Rebate)	($2,058)	$700	(394%)	($2,058)	$700	(394%)
Loss on Disposal of Property, Plant & Equipment	$825	$2,269	(64%)	$825	$2,277	(64%)
Net Interest Expense	$2,618	$3,400	(23%)	$10,233	$11,245	(9%)
Foreign Exchange Gain & Loss	$823	($741)	(211%)	($285)	($1,849)	(85%)
Non-Cash Share Compensation	$160	$186	(14%)	$648	$947	(32%)
EBITDA	($1,163)	($2,008)	(42%)	($3,253)	($4,230)	(23%)
EBITDA as a % of Revenue	(38%)	(41%)	2%	(17%)	(22%)	6%

EBITDA for the three months ended December 31, 2017, was negative $1.2 million or negative 38% of revenues, compared to negative $2.0 million or negative 41% of revenues for the same period in 2016. EBITDA improved for the three-month period ended December 31, 2017 by $0.8 million or 3 percentage points compared to the previous period. The increase in EBITDA for the quarter is attributable to both the higher margins on stevia and monk fruit sales as well as the reductions in cash-based G&A costs compared to the previous period.

EBITDA for the year ended December 31, 2017, was negative $3.3 million or negative 17% of revenues compared to negative $4.2 million or negative 22% of revenues for 2016. EBITDA improved for the twelve-month period ended December 31, 2017, by $0.9 million or 5 percentage points compared to the previous period. The increase in EBITDA for the year is attributable to both the higher margins on stevia and monk fruit sales as well as the reductions in cash-based G&A costs compared to the previous year.

Liquidity and Capital Resources

In thousands Canadian $	31-Dec-17	31-Dec-16
Cash and Cash Equivalents	$ 657	$ 1,563
Working Capital	$ (126,659)	$ (101,730)
Total Assets	$ 48,839	$ 55,127
Total Liabilities	$ 137,848	$ 142,555
Loan Payable (<1 year)	$ 93,170	$ 73,612
Loan Payable (>1 year)	$ -	$ 27,159
Total Shareholder's Deficiency	$ (81,567)	$ (87,428)

The Company continues to progress with the following measures to manage cash flow of the Company: reducing accounts payable, negotiating with creditors for extended payment terms, working closely with the banks to restructure its loans, arranging financing with its Directors and other related parties, and reducing operating expenditures including general and administrative expenses and production-related expenses.

Total loans payable (both short-term and long-term) is $93.2 million as of December 31, 2017, a decrease of $7.6 million compared to the previous year ($100.8 million). The decrease in loans was driven primarily by the conversion of Chinese related-party debt into equity in the Company's Runhai subsidiary.

The Company continued to work with its Chinese banks on restructuring its Chinese debt in 2017. The total of all China bank loans transferred to state-owned capital management company ("SOCMC") now accounts for approximately 74% of the Company's outstanding debt with Chinese banks. The nature of the business of these SOCMCs differs from banks, in that they take a long-term outlook on management of debt. For example, instead of simply requiring loan principal and interest payments, the SOCMCs aim to manage debts with greater flexibility, such as long-term loan terms, debt for equity arrangements, flexible debt retirement, and other long-term instruments. This debt is held at the Chinese subsidiary level, and any such potential arrangements would therefore be done at that level rather than at the corporate level. These SOCMCs could also be a source of possible future capital.

The Company's main initiative to improve its negative working capital position is a potential debt restructuring involving the SOCMCs and China Banks where the Company's operating subsidiaries owe $63.2 million in short-term debt. The Company continues to negotiate terms for the restructuring of this short-term debt, involving the conversion of the debt into equity of the Company's Chinese operating subsidiary (see also section on Short-term and Long-term Loans). Until the final debt restructuring is completed, the terms of the original loans are represented in the financial statements.

The Company continues to be able to negotiate loans with its Directors and related family members to assist with short-term working capital requirements.

Cash Flows: Three Months Ended December 31, 2017 and 2016

Cash used in operating activities was $4.3 million in the three-month period ended December 31, 2017, compared to $1.3 million generated by operating activities in the same period of 2016. Cash used in operating activities increased by $5.6 million year-over-year. This was the result of (1) cash used in operations prior to changes in non-cash working capital being $1.4 million more than the same period last year and (2) cash generated by non-cash working capital being $4.3 million less than the same period last year.

The $4.3 million decrease in cash generated by non-cash working capital in the three months ended December 31, 2017, compared to the comparative 2016 period, was due to (1) an increase in cash used in inventory ($5.1 million), (2) a net decrease in cash from accounts payable and other payables ($3.8 million), (3) a decrease in cash generated from deferred revenue ($0.3 million), (4) a decrease in cash generated from prepaid expenses ($0.1 million) and (5) an increase in cash used from sales tax recoverable ($0.1 million). These cash decreases were offset by (6) an increase in cash generated from accounts receivable ($1.3 million) and (7) an increase in cash generated from the amounts due to related parties ($3.8 million).

Cash used in investing activities was $0.1 million during the fourth quarter of 2017 related to the purchase of lab/production equipment compared to cash generated from investing activities of $0.5 million for the same period in 2016.

Cash generated by financing activities was $1.5 million in the fourth quarter of 2017 compared to cash used by financing activities of $0.1 million in the same period in 2016. The $1.6 million increase of cash generated from financing was primarily driven by an increase in financing from related party loans ($1.7 million), offset primarily by an increase in debt restructure fees paid ($0.2 million).

Cash Flows: Year Ended December 31, 2017 and 2016

Cash used in operating activities was $3.5 million in the year December 31, 2017, compared to $0.3 million cash generated in 2016. Cash used in operating activities increased by $3.8 million year-over-year. This was the result of cash used in operations prior to changes in non-cash working capital being $0.2 million greater than last year and cash generated from non-cash working capital being $3.6 million lower in the current year compared to 2016.

The $3.7 million decrease in cash generated from non-cash working capital for the year ended December 31, 2017, compared to the comparative 2016 period, was due to (1) an increase in cash used in inventory ($4.7 million), (2) a decrease in cash generated by accounts payable ($2.5 million), (3) an increase in cash used from deferred revenue ($0.6 million), (4) a decrease in cash generated from interest payable ($0.7 million) and (5) an increase in cash used from sales tax recoverable ($0.5 million). These cash decreases were offset by increases in cash generated from (6) accounts receivable ($0.7 million), (7) prepaid expenses ($0.6 million), (8) amounts due to related parties ($3.9 million) and (9) short-term loans ($0.1 million).

Cash used by investing activities was $0.3 million in 2017 related to the purchase of lab/production equipment compared to cash used by investing activities of $0.6 million in 2016.

Cash generated by financing activities was $3.2 million in 2017, compared to cash used by financing activities of $0.0 million in 2016. The increase in cash used in financing activities of $3.2 million was driven primarily by an increase in financing from related party loans ($3.8 million), offset primarily by increases in debt restructure fees paid ($0.6 million).

Selected Annual Information

In thousands Canadian $, except for EPS	2017	2016	2015
Gross Revenue	$19,388	$18,953	$30,365
Net Income (Loss)	($17,567)	($23,805)	($25,709)
Total Assets	$48,839	$55,127	$76,027
Non-current Financial Liabilities	$0	$27,765	$30,527
Basic and Diluted	($0.44)	($0.63)	($0.11)
Diluted	($0.44)	($0.63)	($0.11)

Revenues increased in 2017 compared to the previous year due to the increase in international stevia sales. There was a continued reduction in monk fruit sales in 2017 compared to the previous year and international stevia sales is now the main focus for sales growth for the company. The Company has seen a decrease in the market size and potential for the monk fruit business as several key customers discontinued the ingredient and other major ingredient markets have yet to approve monk fruit as a sweetener. Compared to the monk fruit market opportunity, the stevia market opportunity provides many more geographic markets with ingredient approval; this wider market approval combined with the improvements to the cost and taste performance of stevia make stevia the most attractive market for the Company to focus on for revenue growth.

Revenues decreased in 2016 compared to the previous year mainly due to the decrease in the monk fruit business. GLG changed distributors in 2016 for stevia and monk fruit and it has taken us time to rebuild market share in the monk fruit business. GLG announced its Global Distribution Agreement with Archer Daniel Midlands in June 2016. Management sees this agreement as key to addressing the decline in sales in 2016 and to drive revenue growth in the future. The second reason for the lower revenues was the lower sales of other natural ingredients in 2016 compared to 2015. Compared to 2014 ($19.9 million in revenues), revenues in 2016

were down 5%; however, the mix of sales from China-based sales (to other stevia manufacturers) to international sales has steadily increased from 42% in 2014 to 91% in 2016.

In 2015, the Company incurred a $25.7 million loss, a $9.3 million improvement over the 2014 loss of $35 million. One of the major drivers of the loss was related to impairments on current and fixed assets ($3.5 million) including Plant, Property and Equipment ($1.9 million) related to its ion resin equipment and inventory impairments due to obsolescence ($1.8 million). The Company also incurred $10.9 million in interest expenses, which is another major driver of the loss for the year. The Company also had significant operating charges related to its idle facilities during the past three years, at approximately $2.3 million on $1.6 million gross profit before sales, general and administration costs.

In 2016, the Company further reduced its loss to $23.8 million from the loss incurred in 2015. Interest expenses for the year were $11.3 million and impairment charges to current and fixed assets of $3.4 million. The Company also had significant operating charges related to its idle facilities, which were approximately $2.5 million resulting in $0.4 million gross loss before sales, general and administration costs.

In 2017, the Company further reduced its loss to $16.8 million from the $23.8 million loss incurred in 2016 or an improvement of 29%. Interest expenses for the year were reduced to $10.3 million or a $1.0 million decrease and impairment charges to current and fixed assets were reduced by $2.1 million. The Company also had significant operating charges related to its idle facilities, which were approximately $2.5 million on $0.9 million gross profit before sales, general and administration costs.

The key items the Company is pursuing to continue to reduce the annual losses and move the Company to profitability are:

1. Increase stevia and monk fruit sales through its Global Partnership with ADM and its direct sales efforts
2. Restructure debt with Chinese Banks into equity into its China subsidiary
3. Reduce production and other operating costs

Financial Resources

Cash and cash equivalents decreased by $0.9 million during the year ended December 31, 2017, from December 31, 2016. Working capital declined by $25.0 million from the year-end 2016 position to negative $126.7 million. The working capital decrease can be attributed to (1) a decrease in current assets ($1.9 million), (2) an increase in interest payable ($5.8 million), (3) an increase in due to related parties ($21.0 million) resulting from reclassification of long-term debt to current debt and (4) an increase in liabilities on derivatives ($0.2 million), which were offset by (5) a decrease in accounts payable ($2.1 million), (6) a decrease in short-term loans ($1.4 million) and (7) a decrease in deferred revenue ($0.3 million).

The Company's working capital and working capital requirements fluctuate from quarter to quarter depending on, among other factors, the annual stevia harvest in China (third and fourth quarter each year) and the production output along with the amount of sales conducted during the period. The value of raw material in inventory has historically been the highest in the fourth quarter due to the fact that the Company purchases leaf during the third and fourth quarter for the entire production year, which runs October through September each year. The Company's principal working capital needs include accounts receivable, taxes receivable, inventory, prepaid expenses, other current assets, and accounts payable and interest payable.

Balance Sheet

As at December 31, 2017, in comparison to December 31, 2016, the total assets decreased by $6.3 million. This decrease was split between a decrease in current assets of $1.9 million and a decrease in fixed assets of $4.4 million.

The decrease in the current assets of $1.9 million was driven by decreases in (1) cash and cash equivalents ($0.9 million), (2) accounts receivable ($1.3 million) and (3) prepaid expenses ($0.4 million), which were offset by increases in (4) inventory ($0.7 million).

The decrease in the fixed assets of $4.4 million was due to (1) amortization ($4.3 million) and (2) impairment of fixed assets ($0.8 million), which were offset by (3) capital additions ($0.3 million) and (4) a depreciation of the RMB against the Canadian dollar ($0.4 million).

Current liabilities increased by $23.1 million as at December 31, 2017, in comparison to December 31, 2016, and was driven by (1) an increase in interest payable ($5.8 million), (2) an increase in due to related parties ($21.0 million) driven primarily by the reclassification of long-term debt to current, and (3) an increase in liabilities on derivatives ($0.2 million), which were offset by (4) a decrease in accounts payable ($2.1 million), (5) a decrease in short-term loans ($1.4 million) and (6) a decrease in deferred revenue ($0.3 million).

Long-term liabilities decreased by $27.8 million. The decrease in long-term liabilities of $27.8 million was driven by (1) a decrease in due to related parties ($27.2 million), resulting from the Company's phase one debt restructuring as well as a reclassification of long-term related party debt to current, and (2) a decrease in liabilities on derivatives ($0.6 million).

The Company has renewed a loan with one of its Directors to assist in the financing of the Company, and has raised a new loan with a related party during the year ($4.0 million as of December 31, 2017) for working capital purposes.

GLG shareholders' equity increased by $5.9 million due primarily to increases in contributed surplus of $26.1 million and share capital of $0.6 million, which was offset by an increase in deficit of $16.8 million and a decrease in AOCI of $4.0 million.

Short-Term and Long-Term Loans

The Company's short-term loans consisted of borrowings from various banks in China $63,243,322 (2016 - $63,386,713) and loans from private lenders $965,096 (2016 - $2,251,081) as follows:

Bank loans as at December 31, 2017:

	Loan amount in CAD	Loan amount in RMB	Maturity Date	Interest rate per annum	Lender
	$ 578,400	3,000,000	On Demand	7.71%	China Hua Rong Assets Management Shandong Branch
	5,398,400.00	28,000,000	On Demand	7.71%	China Hua Rong Assets Management Shandong Branch
	1,928,000.00	10,000,000	On Demand	7.13%	China Hua Rong Assets Management Shandong Branch
	1,885,584.00	9,780,000	On Demand	7.13%	China Hua Rong Assets Management Shandong Branch
	9,943,022.90	51,571,696	On Demand	6.48%	China Hua Rong Assets Management Shandong Branch
	15,424,000.00	80,000,000	On Demand	6.48%	China Hua Rong Assets Management Shandong Branch
	15,266,831.04	79,184,808	On Demand	11.97%	Bank of Communication
	3,365,801.53	17,457,477	On Demand	8.83%	China Cinda Assets Management Anhui Branch
	8,198.47	42,523	On Demand	8.83%	China Cinda Assets Management Anhui Branch
	1,253,200.00	6,500,000	July 28, 2017	5.82%	Huishang Bank
	5,784,000.00	30,000,000	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
	2,407,883.93	12,489,025	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
Short-term	$ 63,243,322	328,025,528			

Bank loans as at December 31, 2016:

	Loan amount in CAD	Loan amount in RMB	Maturity Date	Interest rate per annum	Lender
	$ 579,005	3,000,000	On Demand	7.71%	China Hua Rong Assets Management Shandong Branch
	5,404,049	28,000,000	On Demand	7.71%	China Hua Rong Assets Management Shandong Branch
	1,930,018	10,000,000	On Demand	7.13%	China Hua Rong Assets Management Shandong Branch
	1,887,557	9,780,000	On Demand	7.13%	China Hua Rong Assets Management Shandong Branch
	9,953,427	51,571,696	On Demand	6.48%	China Hua Rong Assets Management Shandong Branch
	15,440,141	80,000,000	On Demand	6.48%	China Hua Rong Assets Management Shandong Branch
	15,282,816	79,184,858	On Demand	11.97%	Bank of Communication
	3,369,324	17,457,477	On Demand	8.83%	China Cinda Assets Management Anhui Branch
	8,207	42,523	On Demand	8.83%	China Cinda Assets Management Anhui Branch
	1,331,712	6,900,000	July 26, 2017	5.82%	Huishang Bank
	5,790,053	30,000,000	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
	2,410,404	12,489,025	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
Short-term	$ 63,386,713	328,425,578			

The Company continued to work with its Chinese banks on restructuring its Chinese debt in 2017. The total of all China bank loans transferred to state-owned capital management company ("SOCMC") now accounts for approximately 74% of the Company's outstanding debt with Chinese banks. The nature of the business of these SOCMCs differs from banks, in that they take a long-term outlook on management of debt. For example, instead of simply requiring loan principal and interest payments, the SOCMCs aim to manage debts with greater flexibility, such as long-term loan terms, debt for equity arrangements, flexible debt retirement, and other long-term instruments. This debt is held at the Chinese subsidiary level, and any such potential arrangements would therefore be done at that level rather than at the corporate level. These SOCMCs could also be a source of possible future capital.

The Company's main initiative to improve its negative working capital position is a potential debt restructuring involving the SOCMCs and China Banks where the Company's operating subsidiaries owe $63.2 million in short-term debt. The Company continues to negotiate terms for the restructuring of this short-term debt, involving the conversion of the debt into equity of the Company's Chinese operating subsidiary (see also section on Short-term and Long-term Loans). Until the final debt restructuring is completed, the terms of the original loans are represented in the financial statements.

The assets of the Company's subsidiaries including inventory and property, plant and equipment have been pledged as collateral for these bank loans. (See Notes 8 and 10 in the Financial Statements).

Short-term borrowing from private lenders:

December 31, 2015	$	2,407,268
Foreign currency translation		(156,188)
December 31, 2016	$	2,251,080
Additions		-
Converted into non-controlling interest (note 14)		(1,248,660)
Foreign currency translation		(37,324)
December 31, 2017	$	965,096

Short-term borrowing from private lenders consists of two loans.

The first loan principal amount as of December 31, 2017, is $965,096 (2016 - $1,032,904) and bears interest at 11.50% per annum, compounding quarterly. The loan is due on demand and does not have any attached covenants.

The second loan principal amount as of December 31, 2017, is $nil (2016 - $1,218,176) and bears interest at 20% per annum, compounding quarterly. The loan is also due on demand and does not have any attached covenants. This loan provides a repayment option to the lender in either RMB or USD using a fixed foreign exchange rate of 6.1234 RMB/USD. This option results in a liability of $6,509 (2016 - $33,506), which is accounted as liabilities on derivatives and included in unrealized foreign exchange losses. The fair value of the liability on derivatives was calculated using the Black-Scholes model with the following assumptions:

	2017	2016
Risk free interest	1.22%	0.98%
Expected life of the loan	1 year	1 year
Expected foreign currency volalitity	4.03%	3.14%

During the year ended December 31, 2017, the principal on the second loan was converted into equity interest in Runhai, one of the Company's subsidiaries in China (see Note 14).

Financial and Other Instruments

The Company is exposed to credit risk, liquidity risk and market risk. The Company's primary risk management objective is to protect its income and cash flows and, ultimately, shareholder value. Risk management strategies, as discussed below, are designed and implemented to ensure the Company's risks and related exposures are consistent with its business objectives and risk tolerance.

a) Credit risk

Credit risk represents the financial loss that the Company would experience if a counterparty to a financial instrument, in which the Company has an amount owing from the counterparty, failed to meet its obligations in accordance with the terms and conditions of its contracts with the Company.

The Company's primary credit risk is on its cash and accounts receivable. The Company has a high concentration of credit risk as the accounts receivable were owed by one major customer that made up 77% of the total accounts receivable. The amounts disclosed in the consolidated statements of financial position are net of allowances for doubtful accounts, which are estimated by the Company's management based on prior experience and an assessment of the current economic environment. Significant management estimates are used to determine the allowance for doubtful accounts. The allowance for doubtful accounts is calculated by taking into account factors such as the Company's historical collection and write-off experience, the number of days the counterparty is past due, ongoing discussion with the customers and the status of the account. The Company believes that its allowance for doubtful accounts is sufficient to reflect the related credit risk associated with the Company's accounts receivable. Given the current economic environment, the Company monitors the credit quality of the financial institutions it deals with on an ongoing basis.

Allowance for credit losses		**2017**		**2016**
Opening balance	$	3,606,300	$	4,410,719
Increase (decrease) in AFDA		(3,293)		(804,419)
Ending Balance	$	3,603,007	$	3,606,300

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage, as outlined in Note 23. It also manages liquidity risk by continually monitoring actual and projected cash flows to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the undiscounted contractual maturities of the Company's financial liabilities at December 31, 2017 and 2016:

	December 31, 2017		December 31, 2016	
Financial liabilities	**0 to 12 months**	**12 to 24 months**	**0 to 12 months**	**12 to 24 months**
Accounts payable and accrued liabilities	$ 17,373,835	-	$ 19,521,154	-
Deferred revenue	-	-	302,827	-
Short-term loans	64,208,418	-	65,637,794	-
Long-term loans	-	-	-	-
Interest payable	27,145,356	-	21,354,102	-
Due to related parties	28,961,281	-	7,974,276	27,158,725
	$ 137,688,890	$ -	$ 114,790,153	27,158,725

c) Market risk

Market risk is the risk that changes in market prices, such as fluctuations in the Company's share price, foreign exchange rates and interest rates, will affect the Company's income, cash flows or the value of

its financial instruments.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk on its short-term loans and amounts due to related parties at December 31, 2017. The interest rates on these financial instruments fluctuate based on the bank prime rate. As at December 31, 2017, with other variables unchanged, a 100-basis point change in the bank prime rate would have a net effect of approximately $916,214 (December 31, 2016 - $992,083) on profit or loss.

ii) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of a change in foreign exchange rates. The Company conducts its business in U.S. dollars, Chinese renminbi ("RMB"), Canadian dollars and Hong Kong dollars. The Company is exposed to currency risk as the functional currency of its subsidiaries is other than Canadian dollars.

The majority of the Company's assets are held in subsidiaries whose functional currency is the RMB. The RMB is not a freely convertible currency. Many foreign currency exchange transactions involving RMB, including foreign exchange transactions under the Company's capital account, are subject to foreign exchange controls and require the approval of the People's Republic of China State Administration of Foreign Exchange. Developments relating to the PRC's economy and actions taken by the PRC government could cause future foreign exchange rates to vary significantly from current or historical rates. The Company cannot predict nor give any assurance of its future stability. Future fluctuations in exchange rates may adversely affect the value, translated or converted into Canadian dollars, of the Company's net assets and net profits.

The Company cannot give any assurance that any future movements in the exchange rates of RMB against the Canadian dollar and other foreign currencies will not adversely affect its results of operations, financial condition and cash flows. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. Information on the net foreign exchange risk exposure on translating functional currency of the consolidated entities to the presentation currency with an impact on the other comprehensive income (loss) is provided in the following table:

	December 31, 2017					
		RMB balance		HK balance		US balance
Total financial assets	¥	1,592,044	HK$	52,281	$	294,083
Total financial liabilities		(525,916,986)		(54,023)		(759,389)
Net foreign exchange risk exposure	¥	(524,324,942)	HK$	(1,742)	$	(465,306)

		December 31, 2016				
		RMB balance	HK balance		US balance	
Total financial assets	¥	2,797,042	HK$	2,273	$	453,698
Total financial liabilities		(500,779,610)		-		(758,470)
Net foreign exchange risk exposure	¥	(497,982,568)	HK$	2,273	$	(304,772)

As of December 31, 2017, assuming that all other variables remain constant, a change of 1% in the Canadian dollar against the RMB would have an effect on other comprehensive income (loss) of approximately $1,010,903 (2016 - $930,000).

The Company's U.S. operations, which are integrated operations, and Canadian operations are exposed to exchange rate changes between the U.S. dollar and the Canadian dollar. The Company's primary U.S. dollar exposure in Canada relates to the revaluation into Canadian dollars of its U.S. dollar denominated working capital.

The following table provides information on the Company's net foreign exchange risk exposure from its US and Canadian operations with an impact on the net income (loss):

		December 31, 2017		December 31, 2016
		US$		US$
Financial assets				
Cash	$	350,157	$	779,168
Accounts receivable		899,546		1,775,593
Financial liabilities				
Accounts payable and accruals	$	(358,276)	$	(183,673)
Interest payable		(970,385)		(678,475)
Short-term loan		(769,307)		(1,676,604)
Long-term loan		-		-
Due to related party		(20,363,962)		(24,889,936)
Net foreign exchange risk exposure	$	(21,212,227)	$	(24,873,927)

As of December 31, 2017, assuming that all other variables remain constant, an increase of 1% in the Canadian dollar against the US dollar would have an effect on net income of $266,000

(2016 - $308,000).

Contractual Obligations

a) Operating leases

The Company renewed two five-year operating leases with respect to land and production equipment at the Qingdao Runde factory in China. The leases expired on December 31, 2016, and renewed for another five-year term. The annual minimum lease payments are approximately $96,000 (RMB 500,000).

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

- In the first 5 years the rent expense is approximately $1,920 (RMB 10,000) per year
- In the second 5 years the rent expense is approximately $2,243 (RMB 11,680) per year
- In the third 5 years the rent expense is approximately $2,620 (RMB 13,642) per year (the Company is currently at this rate)
- In the fourth 5 years the rent expense is $3,060 (RMB 15,934) per year

With the same vendor the Company also signed another rental agreement from Nov 8, 2006, to Nov 7, 2036. The annual rental expense is approximately $5,488 (RMB 28,576).

The Company's current office premises are leased under an eight-year agreement beginning August 1, 2016, and will expire on July 31, 2024. The lease payments for the year ended December 31, 2017, totals $183,647 (2016 – $151,609).

The minimum cash payments related to the above		Amount
2018	$	296,138
2019		328,148
2020		328,148
Thereafter		771,378
Total	$	1,723,812

Capital Structure

Outstanding Share Data as at the date of this MD&A:

	31-Dec-17	31-Dec-16
Common Shares Issued	37,920,336	37,890,336
Stock Options	3,060,222	3,094,222
Total Reserved For Issuance	3,060,222	3,094,222
Fully Diluted Shares	40,980,558	40,984,558

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements.

Related Party Debt Conversion

Transaction Description

On May 29, 2017, at the Company's Annual General and Special Meeting (the "Meeting"), eligible shareholders approved a proposed related party transaction (the "Transaction") to convert RMB 80,584,090 of Chinese debt and liabilities, held by the Company's Chairman and CEO and family members, into a minority equity share in GLG's primary Chinese subsidiary, then named Chuzhou Runhai Stevia High Tech Company Limited ("Runhai").

The Transaction is the first phase of a two-phase debt restructuring process recommended by an Independent Special Committee appointed by the Company's Board of Directors to oversee the debt restructuring process. The second phase, which had been contingent on successful execution of the first phase and is now pending finalization on terms, involves conversion of the Chinese banks' debt holdings into equity in Runhai. Ultimately, the Company expects to convert over $100 million in debt holdings (related party debt and Chinese bank debt) into equity into Runhai.

Following approval, phase one of the Transaction was initiated in the second quarter of 2017 and was completed as of November 1, 2017, and is fully compliant with local Chinese laws and regulations related to Joint Stock Companies. The Company has received the formal approval documents from the Anhui provincial government for the Joint Stock Company formally recognizing the Company's and Jixu's ownership of the Joint Stock Company. Pursuant to the underlying agreements:

- Dr. Zhang (Chairman and CEO of the Company), Mrs. Rosa Yuan (Dr. Zhang's wife), and Mrs. Guiyun Zhang (collectively, in this section, the "Related Parties"), transferred their combined Chinese debt holdings of RMB 80,584,090 to a newly-formed intermediary – Mingguang Jixu Investment Management Partnership ("JiXu") – as Chinese law precluded the Related Parties, as non-Chinese nationals, from themselves holding an equity share in Runhai.
    - The sole purpose of forming JiXu was to facilitate both phases of the debt conversion plan while remaining in compliance with Chinese law. The principals in JiXu are Mr. Jiwei Dong and Mrs. Yunru Zhang. Both are Chinese nationals.
    - Jixu carries a repayment obligation to the Related Parties and any disposition of its equity holding will be directed by the Related Parties.
- In exchange for converting its debt holdings of RMB 80,584,090 into equity, Jixu currently holds a 32.92% equity share in Runhai. A portion of that equity share is reserved for settlement of the second phase of the debt restructuring with the Chinese banks and the expected final shareholding of Jixu is approximately 26% of Runhai.
- The effect of the first phase debt conversion was removal of $16.3 million in debt and liabilities from the Company's balance sheet.

With this related party debt liability removed, the Company is now focusing on phase two of the debt restructuring plan.

Accounting Treatment of the Transaction

During the year ended December 31, 2017, the Company disposed of 32.92% of its ownership in Chuzhou Runhai Stevia High Tech Company Limited ("Runhai") to its related parties in order to settle $15,971,767 (RMB 80,584,090) in related party loans. Accordingly, the Company de-recognized the derivative liabilities related to this portion of the loans totaling $274,538. The related party loans were converted to a 32.92% in Runhai. The reduction in the Company's ownership interest in Runhai did not result in a loss of control and was recorded as equity transactions. In connection with the recognition of non-controlling interest, the proportionate share of the cumulative amount of foreign exchange translation differences recognized in other comprehensive income totaling $3,649,111 is re-attributed to the non-controlling interest in Runhai. In addition, the Company incurred transaction costs totaling $563,154 and this amount was deducted from equity. The carrying amount of non-controlling interests was adjusted to reflect the change in the non-controlling interests' relative interests in the subsidiary and the difference between the adjustment to the carrying amount of non-controlling interests and the Company's share of proceeds received and/or consideration paid is recognized directly in equity and attributed to shareholders of the Company.

The following table represents the equity attributable to non-controlling interest.

		December 31, 2017
Beginning balance	$	-
Ownership interest transferred to non-controlling interest		(6,691,694)
Non-controlling interest's share of loss		(733,213)
Non-controlling interest's share of other comprehensive loss		(17,535)
Ending balance	$	(7,442,442)

The following table presents the non-controlling interest as at December 31, 2017 and 2016:

	December 31, 2017	December 31, 2016
Non-controlling interest percentage	32.92%	0%
ASSETS		
Current	$ 4,537,424	$ -
Non-current	35,539,370	-
	$ 40,076,794	$ -
LIABILITIES		
Current	$ 61,368,163	$ -
Non-current	-	-
	$ 61,368,163	$ -
Net liabilities	$ (21,291,369)	$ -
Non-controlling interest	$ (7,442,442)	$ -

The following table presents the loss and comprehensive income attributable to non-controlling interest for the years ended December 31, 2017 and 2016.

	Year ended December 31, 2017	Year ended December 31, 2016
Loss for the year	$ (733,213)	$ -
Foreign exchange translation adjustment	(17,535)	-
Comprehensive income (loss) for the year	$ (750,748)	$ -

Transactions with Related Parties

Transactions with Key Management Personnel

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

Remuneration of key management of the Company is comprised of the following expenses:

	2017	2016
Short-term employee benefits (including salaries, bonuses, fees and social security benefits)	$ 1,005,151	$ 973,466
Share-based benefits	$ 634,879	$ 915,571
Total remuneration	$ 1,640,030	$ 1,889,037

Certain executive officers are subject to termination benefits. Upon resignation at the Company's request or in the event of a change in control, they are entitled to termination benefits ranging from 24 to 36 months of gross salary, totaling approximately $1,856,000.

Key management exercised 30,000 stock options granted under the Company's stock option plan in the 2017 (2016 – nil) fiscal year.

Amounts due to related parties

The table below shows the amounts due to related parties, including the Company's Chairman and Chief Executive Officer, a direct family member of the Company's Chairman and Chief Executive Officer, and an independent Director of the Company's Board of Directors. Changes from January 1, 2017, to December 31, 2017, are shown below.

	Balance as of January 1, 2017	New loans (Repayments)	Settlement of related party loan in exchange for interest in subsidiary	Accrued Interest	Foreign exchange movement	Reclassification from long term to current	Balance as of December 31, 2017
Due to related parties (current portion)	7,974,276	4,037,677	(3,826,150)	3,916,306	(462,017)	17,321,189	28,961,281
Due to related parties (long term portion)	27,158,725	-	(10,896,957)	249,741	809,680	(17,321,189)	-
Total	$ 35,133,001	$ 4,037,677	$ (14,723,107)	$ 4,166,047	$ 347,663	$ (0)	$ 28,961,281

In 2017, the Company completed a restructuring of its Chinese-denominated related party debt, resulting in the removal of $15,971,767 of debt from the Company's books and a third-party holding an equity share in the Company's Runhai subsidiary. See the Related Party Debt Conversion section above for additional detail. As reflected in the table, this restructuring resulted in, as of May 31, 2017, the removal of $14,723,107 from amounts due to related parties; additionally, $1,248,660 was removed from short-term debt.

As of December 31, 2017, the Company owed $28,961,281 to these related parties, which is a $6,171,720 decrease from the $35,133,001 owed as of December 31, 2016. This $6,171,720 decrease was driven by (1) the removal of $14,723,107 in due to related party principal amounts, which was offset by (2) working capital loans amounting to $4,037,677 loaned to the Company to provide working capital primarily to purchase stevia leaf and monk fruit in 2017, (3) interest accrued of $4,166,047 and (4) a net foreign currency translation effect $347,663.

As indicated in the table above, the Company reclassified $17,321,189 in long-term amounts owed to related parties, reclassifying this amount as owed to related parties current.

The $28,961,281 owed by the Company comprises (1) the discrete loan balances and consolidated accrued interest indicated in the table below totaling $25,546,590 payable, as indicated, to the Company's Chairman and Chief Executive Officer or to a direct family member, (2) a loan to a Director of the Company that with accrued interest totals $1,037,808, and (3) an accrued amount, including interest, of $2,376,883 in consulting fees payable to the Company's Chairman and Chief Executive Officer. As at December 31, 2017, these amounts are all due within 12 months and are classified as current on the statement of Financial Position.

a) Amounts due to related parties – Company Chairman and CEO and Family Member

Loan balance as of December 31, 2017

	Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
	$ 627,313	April 27, 2012	April 27, 2018	Unsecured	Category 2	Chairman and CEO
	1,254,500	October 11, 2012	October 11, 2018	Unsecured	Category 2	Chairman and CEO
	627,250	May 30, 2013	May 30, 2018	Unsecured	Category 2	Chairman and CEO
	313,625	November 15, 2013	November 15, 2018	Unsecured	Category 2	Chairman and CEO
	865,605	October 20, 2014	On demand	Secured	Category 3	Direct family member of CEO
	181,903	May 23, 2017	On demand	Secured	Category 3	Direct family member of CEO
	3,855,775	August 28, 2017	April 30, 2018	Unsecured	Category 4	Direct family member of CEO
Principal amounts	**$ 7,725,971**					
Accrued interest	**17,820,619**					
	$ 25,546,590					

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

Loan balance as of December 31, 2016

	Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
	$ 7,739,070	April 27, 2012	April 27, 2018	Unsecured	Category 1	Chairman and CEO
	1,333,013	October 11, 2012	October 11, 2018	Unsecured	Category 1	Chairman and CEO
	4,244,192	May 30, 2013	May 30, 2018	Unsecured	Category 2	Chairman and CEO
	335,661	November 15, 2013	November 15, 2018	Secured	Category 1	Chairman and CEO
	2,175,438	October 20, 2014	October 20, 2017	Secured	Category 3	Direct family member of CEO
	2,487,592	October 15, 2015	On demand	Unsecured	Category 3	Direct family member of CEO
Principal amounts	**$ 18,314,965**					
Accrued interest	**13,942,122**					
	$ 32,257,088					

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

The Category 1 loans were credit facility agreements between the Company and the Company's Chairman and Chief Executive Officer, originated in 2012 and 2013, that were used for working capital purposes. The Category 1 loan principal amounts shown in the 2016 table were eliminated through the Company's debt restructuring.

The Category 2 loan principal amounts relate to credit facility agreements between the Company and the Company's Chairman and Chief Executive Officer, originated in 2012 and 2013, that were used for working capital purposes. The 2017 Category 2 principal amounts reflect the USD portion of disbursed principal, as the RMB portion of disbursed principal was settled through the restructuring transaction.

The Category 3 loan principal amounts relate to loan agreements between the Company and a direct family member of the Company's Chairman and Chief Executive Officer, which were originated primarily for working capital purposes. The 2017 Category 3 principal amounts reflect the USD portion of disbursed principal, as the RMB portion of disbursed principal was settled through the restructuring transaction.

The Category 4 loan principal amount relates to a new working capital loan agreement signed in 2017 between the Company and the same family member for the purchase of stevia leaf and monk fruit.

These loans provide a repayment option to the lenders in either RMB or USD using a fixed foreign exchange rate of 6.1234 RMB/USD (Categories 2 and 3) or 6.5937 RMB/USD (Category 4). These loans will be repaid by either GLG or its Chinese subsidiaries to the Lender in the currency the loans were originally borrowed (either USD or RMB), or, at the Lender's discretion, in the alternate currency. This option results in a liability of $152,538 (2016 - $572,496), which is accounted as liabilities on derivatives and unrealized foreign exchange losses. The assumptions for the fair value determination of the liability are the same as those outlined in Note 12.

b) Amounts due to related parties – Director of the Company

As of September 15, 2017, the Company has renewed a loan of $1,000,000 (2016 - $1,000,000) from a Director of the Company originally borrowed to provide working capital required for Monk Fruit extracts. The loan is secured by expected proceeds from monk fruit sales, bearing interest at 15% per annum and repayable in full within twelve months of the Disbursement Date. As of December 31, 2016, the total amount due to this related party including interest was $1,037,808 (2016 -$1,000,000) and is classified under current liabilities.

Loan balance as of December 31, 2017

	Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Interest rate per annum	Related Parties
Principal amounts	$ 1,000,000	September 30, 2017	September 30, 2018	15.00%	Director
Accrued interests	$ 37,808				
	$ 1,037,808				

c) Amounts due to related parties – Consulting Fees

As of December 31, 2017, the Company has accrued $2,376,883 (2016 - $1,875,913) including 3% interest per annum compounding quarterly in consulting fees to the Company's Chairman and Chief Executive Officer.

Disclosure Controls and Internal Controls over Financial Reporting

The Company's disclosure controls and procedures are designed to provide reasonable assurance that relevant information relating to the Company, including its consolidated subsidiaries, is made known to senior management in a timely manner so that information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in applicable securities legislation. As of the end of the period covered by this report, the Company's management evaluated, under the direction and supervision of the Chief Executive Officer and Chief Financial Officer, the effectiveness of the design and operation of the Company's disclosure controls and procedures, as defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim filings ("NI 52-109"). The Company's Chief Executive Officer and Chief Financial Officer have concluded that as of December 31, 2017, the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed in reports the Company files or submits to the Canadian Securities Administrators ("CSA") is recorded, processed,

summarized and reported within the time periods specified therein and accumulated and reported to management to allow timely discussions regarding required disclosure.

The Company's management, under the direction and supervision of the Chief Executive Officer and Chief Financial Officer, is also responsible for establishing and maintaining internal control over financial reporting. These controls are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in Canada.

Management assessed the effectiveness of the Company's internal control over financial reporting, as defined in NI 52-109, as of December 31, 2017. In making this assessment, management used the criteria set forth in the "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, the Company's Chief Executive Officer and Chief Financial Officer have concluded that as of December 31, 2017, the Company's internal control over financial reporting were effective.

It should be noted that while the officers of the Company have certified the Company's period - end filings, they do not expect that the disclosure controls and procedures or internal controls over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or implemented, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

Risks Related to the Company's Business

This section describes the material risks affecting the Company's business, financial condition, operating results and prospects. A prospective investor should carefully consider the risk factors set out below and consult with his, her or its investment and professional advisors before making an investment decision. There may be other risks and uncertainties that are not known to the Company or that the Company currently believes are not material, but which also may have a material adverse effect on the Company's business, financial condition, operating results or prospects. In that case, the trading price of the common shares could decline substantially, and investors may lose all or part of the value of the common shares held by them.

There are a number of risk factors that could materially affect the business of GLG, which include but are not limited to the risk factors set out below. The Company has been structured to minimize these risks. More details about the following risk factors can be found in the Company's Annual Information Form filed on SEDAR at www.sedar.com.

- Intellectual Property Infringement
- Product Liability Costs
- Manufacturing Risk
- Inventory Risk
- Customer Concentration Risk
- Competition
- Government Regulations
- Consumer Perception of Products
- Changing Consumer Preferences

- Market Acceptance
- Dependence on Key Personnel
- Volatility of Share Prices

Risks Associated with Doing Business in the People’s Republic of China

The Company faces the following additional risk factors that are unique to it doing business in China. More details about the following risk factors can be found in the Company’s Annual Information Form.

- Government Involvement
- Changes in the Laws and Regulations in the People’s Republic of China
- The Chinese Legal and Accounting System
- Currency Controls
- Additional Compliance Costs in the People’s Republic of China
- Difficulties Establishing Adequate Management, Legal and Financial Controls in the People’s Republic of China
- Capital Outflow Policies in the People’s Republic of China
- Jurisdictional and Enforcement Issues
- Political System in the People’s Republic of China

Additional Information

Additional information relating to the Company, including our Annual Information Form, is available on SEDAR (www.sedar.com). Additional information relating to the Company is also available on our website (www.glglifetech.com).