GLG LIFE TECH CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2013

(Unaudited – Prepared by Management)

Notice of No Auditor Review of Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements have been prepared by management and approved by the Board of Directors. The Company's independent auditors have not performed a review of these condensed interim consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") for a review of interim financial statements by an entity's auditors.

GLG LIFE TECH CORPORATION

Condensed Interim Consolidated Statement of Financial Position
As at June 30, 2013 and December 31, 2012
(Unaudited – Expressed in Canadian Dollars)

	Note		June 30, 2013		December 31, 2012
ASSETS					
Current Assets					
Cash and cash equivalents		$	4,779,453	$	3,582,437
Accounts receivable			4,033,087		8,444,038
Sale taxes recoverable			5,090,954		5,652,678
Inventory			28,939,989		31,593,282
Prepaid expenses			4,169,758		3,567,802
Total Current Asset			47,013,241		52,840,237
Property, Plant, and Equipment			54,975,725		49,552,923
Biological Assets			621,866		672,013
Total Assets		$	102,610,832	$	103,065,173
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Short term loans	5	$	22,399,888	$	59,882,876
Accounts payable and accruals			21,688,176		25,048,280
Interest payable			3,249,566		1,762,825
Total Current Liabilities			47,337,630		86,693,981
Long term loans	5		38,791,966		-
Due to related parties	6		14,181,654		8,673,137
Deferred income tax liability			(27,183)		9,911
Total Liabilities			100,284,067		95,377,029
EQUITY					
Shareholders' Equity					
Common Stock: no par value; unlimited shares authorized; issued and outstanding: 32,915,634 (December 31, 2012- 32,915,634 shares)	7		190,818,654		190,449,847
Additional paid-in capital	7		26,971,091		26,857,443
Accumulated other comprehensive income			10,193,032		5,585,772
Deficit			(227,165,114)		(216,748,234)
Total GLG Life Tech Corporation Shareholders' Equity			817,663		6,144,828
Non-controlling interests			1,509,102		1,543,316
Total Shareholders' Equity			2,326,765		7,688,144
Total Liabilities and Stockholders' Equity		$	102,610,832	$	103,065,173

Going concerns (Note 3)
Commitments (Note 13)
Contingent liabilities (Note 14)
See Accompanying Notes to the Interim Consolidated Financial Statements

APPROVED ON BEHALF OF THE BOARD:

"Sophia Leung "	Director
"David Hall "	Director

GLG LIFE TECH CORPORATION

Condensed Interim Consolidated Statements of Operations and Comprehensive (Loss)

For the Period Ended June 30, 2013 and 2012

(Unaudited – Expressed in Canadian Dollars)

	Three months ended June 30		Six months ended June 30	
	2013	**2012**	**2013**	**2012**
REVENUE	$ 3,445,521	$ 6,761,076	$ 6,688,202	$ 7,653,194
COST OF SALES	4,909,635	7,886,953	8,590,591	8,874,179
GROSS (LOSS) PROFIT	(1,464,114)	(1,125,877)	(1,902,389)	(1,220,985)
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	3,730,487	3,647,286	5,472,299	6,381,593
OTHER INCOME (EXPENSES)				
Inventories write-off	-	(105,946)	-	(105,946)
Interest expense	(1,733,942)	(1,718,989)	(3,568,684)	(3,092,520)
Interest income	1,287	3,714	1,838	4,751
Other income (expenses)	916	126,495	(470)	263,294
Foreign exchange (loss) gain	131,948	422,402	424,352	522,194
	(1,599,791)	(1,272,324)	(3,142,964)	(2,408,227)
(LOSS) BEFORE INCOME TAXES	(6,794,392)	(6,045,487)	(10,517,652)	(10,010,805)
INCOME TAX (EXPENSE) RECOVERY	(1,118)	-	(1,118)	(3,504)
NET (LOSS)	(6,795,510)	(6,045,487)	(10,518,770)	(10,014,309)
OTHER COMPREHENSIVE INCOME (LOSS)				
Foreign Currency Translation Adjustment	4,607,260	443,047	4,607,260	(1,780,572)
TOTAL COMPREHENSIVE (LOSS)	(2,188,250)	(5,602,440)	(5,911,510)	(11,794,881)
NET (LOSS)				
ATTRIBUTABLE TO NON-CONTROLLING INTEREST	(101,890)	(121,604)	(101,890)	(222,445)
ATTRIBUTABLE TO GLG LIFE TECH CORPORATION	(6,693,620)	(5,923,883)	(10,416,880)	(9,791,864)
COMPREHENSIVE (LOSS)				
ATTRIBUTABLE TO NON-CONTROLLING INTEREST	(34,214)	(121,604)	(34,214)	(222,445)
ATTRIBUTABLE TO GLG LIFE TECH CORPORATION	(2,154,036)	(5,480,836)	(5,877,296)	(11,572,436)
NET (LOSS) PER SHARE				
Basic & Diluted (Note 10)	(0.20)	(0.18)	(0.32)	(0.30)
Weighted Average Number of Shares Outstanding				
Basic and diluted	32,915,634	32,915,634	32,915,634	32,915,634

See Accompanying Notes to the Interim Consolidated Financial Statements

GLG LIFE TECH CORPORATION

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

As at June 30, 2013 and December 31, 2012

(Unaudited – Expressed in Canadian Dollars)

	Number of common shares	Common shares amount	Contributed Surplus	Accumulated Other Comprehensive Income ("AOCI")	Deficit	Total Equity Attributable to GLG Life Tech Corporation	Non-controlling Interest	Total Shareholders' Equity
Balance, January 1, 2012 (adjusted Note 24)	32,915,634	$ 189,335,257	$ 26,429,140	$ 8,568,484	$ (136,845,216)	$ 87,487,665	$ 2,394,172	$ 89,881,837
Stock-based compensation	-	1,114,590	428,303	-	-	1,542,893	-	1,542,893
Change in foreign currency translation	-	-	-	(1,661,100)	-	(1,661,100)	(57,970)	(1,719,069)
Non-controlling interest	-	-		-	-	-		-
Net (loss)	-	-	-	-	(40,873,649)	(40,873,649)	(792,886)	(41,666,535)
Balance, December 31, 2012	32,915,634	$ 190,449,847	$ 26,857,443	$ 5,585,772	$ (216,748,234)	$ 6,144,828	$ 1,543,316	$ 7,688,144
Stock-based compensation	-	368,807	113,648	-	-	482,455	-	482,455
Change in foreign currency translation	-	-	-	4,607,260	-	4,607,260	67,676	4,674,936
Net (loss)	-	-	-	-	(10,416,880)	(10,416,880)	(101,890)	(10,518,770)
Balance, June 30, 2013	32,915,634	$ 190,818,654	$ 26,971,091	$ 10,193,032	$ (227,165,114)	$ 817,663	$ 1,509,102	$ 2,326,765

See Accompanying Notes to the Condensed Interim Consolidated Financial Statements

GLG LIFE TECH CORPORATION

Condensed Interim Consolidated Statements of Cash Flows
For the periods ended June 30, 2013 and 2012
(Unaudited – Expressed in Canadian Dollars)

	Three months ended June 30		Six months ended June 30	
	2013	**2012**	**2013**	**2012**
Cash Flows From Operating Activities				
Net (loss)	$ (6,795,510)	$ (6,045,487)	$ (10,518,770)	$ (10,014,309)
Adjustments to reconcile net income to net cash provided by operating activities:				
Stock-based compensation	234,530	610,070	482,455	1,152,300
Depreciation of property, plant and equipment and amortization of intangible assets	1,461,616	805,692	2,195,631	954,966
Loss on disposal of property, plant and equipment	-	-	-	295,693
Allowances for doubtful receivables	1,776,918	(24,412)	1,776,918	(24,412)
Inventories impairment	-	105,946	-	105,946
Unrealized foreign exchange loss (gain)	514,337	(48,579)	574,986	21,856
Deferred income tax expense (recovery)	-	(5,760)	-	3,838
Changes in non-cash working capital items (Note 8)	2,978,560	965,727	5,580,022	3,595,177
Net cash from (used in) operating activities	170,451	(3,636,803)	91,242	(3,908,945)
Cash Flows From Investing activities				
Proceeds on disposal of property, plant and equipment	-	-	-	207,307
Purchase of property, plant and equipment	-	(256,979)	(1,695)	(284,588)
Net cash used in operating activities	-	(256,979)	(1,695)	(77,281)
Cash Flow From Financing activities				
Repayment of short term loans	(1,473,679)	(1,956,883)	(2,869,549)	(2,801,457)
Issuance of common shares, net of share issuance costs	-	303,585	-	303,585
Advance from (repayment to) related parties	5,015,212	5,701,119	5,508,517	6,727,022
Net cash from (used in) financing activities	3,541,533	4,047,821	2,638,968	4,229,150
Effect of exchange rate changes on cash and cash equivalents	(790,359)	725,907	(1,531,500)	(996,880)
NET DECREASE IN CASH AND CASH EQUIVALENTS	2,921,626	879,946	1,197,016	(753,956)
CASH AND CASH EQUIVALENTS, beginning of period	1,857,827	2,852,936	3,582,437	4,486,838
CASH AND CASH EQUIVALENTS, end of period	$ 4,779,453	$ 3,732,882	$ 4,779,453	$ 3,732,882

See Accompanying Notes to the Interim Consolidated Financial Statements
Supplemental Cash Flow Information (Note 8)

1. NATURE OF OPERATIONS

GLG Life Tech Corporation (the "Company") was incorporated under the Companies Act (British Columbia), Canada. The registered office of the Company is located at Suite 2168, 1050 West Pender Street, Vancouver, British Columbia. The Company's shares trade on the Toronto Stock Exchange ("TSX") under the symbol "GLG".

The Company is a vertically integrated producer of high-grade stevia extract. The Company's business operates primarily through two reportable business segments: the manufacturing and sales of a refined form of stevia which has operations in China and North America; and the sales and distribution of stevia sweetened consumer food and beverage products in China.

2. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements for the six months ended June 30, 2013, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting".

The notes presented in these unaudited condensed interim consolidated financial statements include only significant events and transactions occurring since the Company's last fiscal year end and they do not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards ("IFRS"). As a result, these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's 2012 annual financial statements which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements have been prepared on a historical costs basis except for biological assets, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting. These unaudited condensed interim consolidated financial statements are presented in Canadian dollars, except when otherwise indicated.

The condensed interim consolidated financial statements of the Company for the three months ended June 30, 2013 were authorized for issue by the Audit Committee on behalf of the Board of Directors on August 12, 2013.

3. GOING CONCERN

These consolidated financial statements have been prepared in accordance with IFRS applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. For the six month period ended June 30, 2013, the Company incurred a net loss of $10,518,770 (2012 - $10,014,309). As at June 30, 2013, the Company had an accumulated deficit of $227,165,114 (2012 - $216,748,234), working capital deficit of $324,389 (2012 - $33,853,744) and a net cash inflow from operating activities of $91,242 (2012 – cash outflow of $3,908,945).

3. GOING CONCERN, continued

During the six months ended June 30, 2013, the Company has signed loan refinancing agreements with Agricultural Bank of China, Bank of China, Construction Bank of China and Bank of Communication. The agreements detail the repayment of all existing short term loans with the four banks. Based on the agreements, the Company will repay $9,027,528 (RMB 52,700,000) during the year ended December 31, 2013, $30,592,301 (RMB 178,588,674) during the year ended December 31, 2014 and $19,334,187 (RMB 112,867,185) during the year ended December 31, 2015.

The Company continues to progress with the following measures to manage cash flow of the Company: paying down short term loans and refinancing with longer term debt, obtaining loans from its Chairman, reducing accounts payable and negotiating with creditors extended payment terms, working closely with the banks to manage their loans, and reducing operating expenditures including general and administrative expenses and production-related expenses.

These consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company is subject to the considerations and risks of operating in China. These include risks associated with the political and economic environment, foreign currency exchange and the legal system in China.

The economy of China differs significantly from the economies of the “western” industrialized nations in such respects as structure, level of development, gross national product, growth rate, capital reinvestment, resource allocation, self-sufficiency, rate of inflation and balance of payments position, among others. The Chinese economy has experienced significant growth in the past several years, but such growth has been uneven among various sectors of the economy and geographic regions. Actions by the Chinese government to control inflation have significantly restrained economic expansion in the recent past. Similar actions by the Chinese government in the future could have a significant adverse effect on economic conditions in China.

The Company’s operating assets and primary sources of income and cash flows originate in China. The Chinese economy has, for many years, been a centrally planned economy, operating on the basis of annual, five-year and ten-year state plans adopted by central China governmental authorities, which set out national production and development targets. The government of China has been pursuing economic reforms since it first adopted its “open-door” policy in 1978. There is no assurance that the government of China will continue to pursue economic reforms or that there will not be any significant change in its economic or other policies, particularly in the event of any change in the political leadership of, or the political, economic or social conditions in China. There is also no assurance that the Company will not be adversely affected by any such change in governmental policies or any unfavorable change in the political, economic or social conditions, the laws or regulations, or the rate or method of taxation in China. As many of the economic reforms, which have been or are being implemented by the Chinese government, are unprecedented or experimental, they may be subject to adjustment or refinement, which may have adverse effects on the Company. Further, through state plans and other economic and fiscal measures, it remains possible for the government of China to exert significant influence on the Chinese economy.

(Unaudited – Expressed in Canadian Dollars)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed interim financial statements have been prepared using accounting policies consistent with those used in the preparation of the audited consolidated financial statements as at December 31, 2012. The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2012 except as noted below.

The Company adopted the following standards and amendments effective January 1, 2013.

IFRS 13, Fair Value Measurement, explains how to measure fair value by providing a clear definition and introducing a single set of guidance for (almost) all fair value measurements. It clarifies how to measure fair value when a market becomes less active and improves transparency through additional disclosures. Disclosures required under IFRS 13 is incorporated in the Company's consolidated financial statements

IAS 28, Investments in Associates and Joint Ventures, was amended and this amendment requires any retained portion of an investment in an associate or joint venture that has not been classified as held for sale to be measured using the equity method until disposal. After disposal, if the retained interest continues to be an associate or joint venture, the amendment requires it to continue to be accounted for under the equity method. The amendment also disallows the re-measurement of any retained interest in an investment upon the cessation of significant influence or joint control. This amendment had no impact on the Company's consolidated financial statements.

5. SHORT TERM AND LONG TERM LOANS

The Company's short term loans consisted of borrowings from a private lender and from various banks in China as follows:

Short term borrowing from a private lender:

As at December 31, 2012	$	623,222
Foreign Currency Adjustment		35,245
As at June 30, 2013	$	658,467

During the year ended December 31, 2012, the Company renewed the short term borrowing from a private lender. The loan principal amount as of June 30, 2013 is $658,467 and bear interest at 11.50 % per annum. The short term borrowing is due on demand and does not have any attached covenants.

(Unaudited – Expressed in Canadian Dollars)

5. SHORT TERM AND LONG TERM LOANS, continued

Bank loans as at June 30, 2013:

Lender	Maturity Date	Weighted average interest rate per	Loan amount in RMB	Loan amount in CAD
Huishang Bank	September 7, 2013	7.20%	7,000,000	$ 1,199,102
Huishang Bank	September 8, 2013	7.20%	8,000,000	1,370,403
Bank of China	December 31, 2014	7.22%	22,200,000	3,802,868
Construction Bank of China	December 31, 2014	9.09%	43,388,674	7,432,495
Agricultural Bank of China	December 31, 2015	7.05%	190,596,812	32,649,299
Bank of Communication	December 31, 2015	11.97%	82,190,263	14,079,220
			353,375,750	$ 60,533,386
		Total current	126,919,891	$ 21,741,421
		Total non-current	226,455,859	$ 38,791,966

Short term bank loans as at December 31, 2012:

Lender	Maturity Date	Interest rate per annum	Loan amount in RMB	Loan amount in CAD
Agricultural Bank of China	July 28, 2012	7.71%	3,000,000	$ 479,103
Agricultural Bank of China	July 28, 2012	7.71%	28,000,000	4,471,629
Agricultural Bank of China	June 9, 2012	6.81%	55,928,387	8,931,821
Agricultural Bank of China	June 16, 2012	6.81%	20,000,000	3,194,021
Agricultural Bank of China	June 20, 2012	6.81%	80,000,000	12,776,083
Bank of Communication	February 25, 2012	7.98%	82,190,263	13,125,870
Bank of China	August 26, 2012	7.22%	3,292,523	525,819
Huishang Bank	September 7, 2013	7.20%	7,000,000	1,117,907
Huishang Bank	September 8, 2013	7.20%	8,000,000	1,277,608
Construction Bank of China	December 17, 2011	9.09%	30,000,000	4,791,031
Construction Bank of China	December 23, 2011	9.09%	16,988,674	2,713,109
		Total Current	371,066,180	$ 59,259,655

(Unaudited – Expressed in Canadian Dollars)

5. SHORT TERM AND LONG TERM LOANS, continued

During the six months ended June 30, 2013, the Company signed loan refinancing agreements with Agricultural Bank of China, Bank of China, Construction Bank of China and Bank of Communication. The agreements detail the repayment of all existing short term loans with the four banks. Based on the agreements, the Company will repay $9,027,528 (RMB 52,700,000) during the year ended December 31, 2013, $30,592,301 (RMB 178,588,674) during the year ended December 31, 2014 and $19,334,187 (RMB 112,867,185) during the year ended December 31, 2015. During the six months ended June 30, 2013, the Company reduced loan balances of RMB 17,690,430 with various banks.

The assets of the Company's subsidiaries including inventory and property, plant and equipment have been pledged as collateral for these bank loans. For the six months ended June 30, 2013, the weighted average interest capitalization was nil% (2012 – nil%).

6. RELATED PARTIES TRANSACTIONS AND BALANCES

a) Transactions with key management personnel

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

Remuneration of key management of the Company as of June 30, 2013 is comprised of the following expenses:

	3 Months		6 Months	
	2013	2012	2013	2012
Short-term employee benefits (including salaries, Bonuses, fees and social security benefits)	$ 183,184	$ 181,671	$ 364,708	$ 362,310
Long-term employee benefits (including share-based benefits	$ 195,080	$ 267,327	$ 397,223	$ 554,427
Total remuneration	$ 378,264	$ 448,998	$ 761,931	$ 916,737

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 $1,200,000.

Key management did not exercise stock options granted under the Company's stock option plan in the six months ended June 30, 2013.

(Unaudited – Expressed in Canadian Dollars)

6. RELATED PARTIES TRANSACTIONS AND BALANCES, continued

b) Amount due to related parties

As of June 30, 2013, the Company obtained loans of $12,661,026 from the Company's Chairman and Chief Executive Officer (the "Lender"). These loans bore interest at China's 10-year benchmark government bond rate plus 11% per annum and are not to be settled within a year to the balance sheet date. The loan proceeds were used for corporate working capital purposes to fund the operations of the Company. The total amount due to the Lender including accrued interest was $14,181,654. The loan does not have any attached covenants.

Loans will be repaid by either GLG or its Chinese subsidiaries to the Lender in the currency the loans were originally borrowed. Notwithstanding any provision to the contrary contained herein, the parties agree that the loan will be repayable in 36 months since the date of borrowing.

c) Subsidiaries

The following are the subsidiaries of the Company:

	Jurisdiction of incorporation	Ownership Interest 2013	Ownership Interest 2012
Subsidiaries			
Agricultural High Tech Developments Limited	Marshall Islands	100%	100%
Anhui Bengbu HN Stevia High Tech Development Company Limited	China	100%	100%
Chuzhou Runhai Stevia High Tech Company Limited	China	100%	100%
Dongtai Runyang Stevia High Tech Company Limited	China	100%	100%
Qingdao Runde Biotechnology Company Limited	China	100%	100%
Qingdao Runhao Stevia High Tech Company Limited	China	100%	100%
GLG Life Tech US, Inc.	USA	100%	100%
Dr. Zhang's All Natural and Zero Calorie Beverage and Foods Company	Hong Kong, China	80%	80%
Dr. Zhang's All Natural and Zero Calorie Beverage and Foods (Anhui) Limited	China	80%	80%
Dr. Zhang's All Natural and Zero Calorie Beverage and Foods (Shanghai) Limited	China	80%	80%
Dr. Zhang's All Natural and Zero Calorie Stevia Solution Company Ltd.	Hong Kong, China	80%	80%
GLG Weider Sweet Naturals Corporation	Canada	55%	55%

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

(Unaudited – Expressed in Canadian Dollars)

7. SHARE CAPITAL

Changes in share capital during the six months ended June 30, 2013 are as follows:

	Number of Shares	Amount
Balance at December 31, 2012	**32,915,634**	**$ 190,449,847**
Stock-based compensation on previously issued restricted shares	-	368,808
Balance at June 30, 2012	**32,915,634**	**$ 190,818,655**

8. SUPPLEMENTARY INFORMATION

Supplementary cash flow information is as follows:

	Three months ended June 30		Six months ended June 30	
	2013	**2012**	**2013**	**2012**
Accounts receivable	$ 456,359	$ (2,523,118)	$ 3,063,648	$ (1,574,185)
Taxes recoverable	396,906	875,055	938,480	1,302,179
Inventory	2,767,376	6,535,788	5,417,066	6,220,085
Prepaid expenses	(391,865)	(1,714,879)	(234,815)	(821,277)
Accounts payable and accruals	(924,366)	(2,618,960)	(4,909,147)	(1,913,112)
Interest payable	674,150	411,841	1,304,790	496,217
Deferred revenue			-	(114,730)
	$ 2,978,560	$ 965,727	$ 5,580,022	$ 3,595,177
Interest paid	601,412	1,293,696	1,492,181	2,617,644
Taxes paid	-	-	-	-

(Unaudited – Expressed in Canadian Dollars)

9. COST OF SALES AND EXPENSES

	Three months ended June 30		Six months ended June 30	
	2013	2012	2013	2012
Cost of sales				
Direct cost of sales	$ 3,611,713	$ 5,322,255	$ 6,608,393	$ 6,209,847
Depreciation and amortization	1,249,621	2,623,317	1,914,037	2,722,950
Transfer from expenses	48,302	- 58,618	68,161	(58,618)
	4,909,635	7,886,953	8,590,591	8,874,179
Selling, general and administrative expenses				
Direct expenses	$ 3,518,862	$ 3,388,135	$ 5,191,074	$ 6,059,842
Depreciation and amortization	211,625	259,151	281,225	321,751
	$ 3,730,487	$ 3,647,286	$ 5,472,299	$ 6,381,593
Supplementary information:				
Employee benefits	$ 476,697	$ 726,260	$ 958,768	$ 1,572,737

10. LOSS PER SHARE

The following table set forth the calculation of the basic and diluted loss per share for the six months ended June 30, 2013 and 2012.

	Three months ended		**Six months ended**	
	30-Jun-13	**30-Jun-12**	**30-Jun-13**	**30-Jun-12**
Numerator:				
Net Loss after tax	$ (6,693,620)	$ (5,923,883)	$ (10,416,880)	$ (9,791,864)
Denominator:				
Weighted average number of shares outstanding - basic	32,915,634	32,915,634	32,915,634	32,915,634
Effective of diluted securities				
Employeee Stock Options	-	-	-	-
Warrants	-	-	-	-
Weighted average number of shares outstanding - diluted	32,915,634	32,915,634	32,915,634	32,915,634
Loss per share - basic	$ (0.20)	$ (0.18)	$ (0.32)	$ (0.30)
Loss per share - diluted	$ (0.20)	$ (0.18)	$ (0.32)	$ (0.30)

10. LOSS PER SHARE, continued

The total number of anti-dilutive options that were out of the money and therefore excluded from the calculation for the six months ended June 30, 2013 was 331,063 (2012 – 133,603).

11. SEGMENTED INFORMATION

The Company's business operates primarily through two reportable business segments, Stevia Products and Consumer Products.

Stevia Products segment is the manufacturing and sales of a refined form of stevia which has operations in China and North America. Consumer Products segment is the sales and distribution of stevia sweetened consumer food and beverage products in China.

The Company's chief operating decision makers are the CEO and CFO. They review the operations and performance of the Company by segments, which include Stevia and Consumer Products. Segment results that are reported to the Company's chief decision makers include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The accounting policies of the segments are the same as those described in Note 2 to the Company's 2012 year end consolidated financial statements.

The chief operating decision makers review adjusted operating profit as a key measure of performance for each segment and for purposes of making decisions on resource allocations. Adjusted operating profit is income before stock-based compensation expense, impairment of assets, finance costs, other income, and income taxes. This measure of segment's operating results differs from operating income in the consolidated statements of income. The majority of the segment's assets are located outside of Canada, in China. Information by reportable segments is as follows, which is regularly reported to the chief operating decision makers:

(Unaudited – Expressed in Canadian Dollars)

11. SEGMENTED INFORMATION, continued

Three months ended June 30, 2013	Stevia	Consumer Products	Corporate items & Elminations	Consolidated Totals
Operating Revenue	$ 3,444,997	$ 524		$ 3,445,521
Operating Costs (1)	(8,202,420)	(201,756)		(8,404,176)
Adjusted Operating Loss	$ (4,757,423)	$ (201,232)	$ -	(4,958,655)
Stock based compensation expense (1)	(235,946)			(235,946)
Operating Loss	$ (4,993,369)	$ (201,232)	$ -	$ (5,194,601)
Finance costs	(1,732,655)			(1,732,655)
Other income, net	132,864	-		132,864
Income before income taxes & Minority Interest	$ (6,593,160)	$ (201,232)	$ -	$ (6,794,392)
Additions to PP&E	-	-	-	-
Total Assets	$ 100,277,531	$ 2,333,301	$ -	$ 102,610,832
Income taxes paid	$ -	$ -		$ -

(1) Included with operating costs in consolidated statements of income.

Three months ended June 30, 2012	Stevia	Consumer Products	Corporate items & Elminations	Consolidated Totals
Operating Revenue	$ 6,432,596	$ 328,480		$ 6,761,076
Operating Costs (1)	(9,426,721)	(1,497,427)		(10,924,148)
Adjusted Operating Profit	$ (2,994,125)	$ (1,168,947)		(4,163,072)
Stock based compensation expense (1)	(610,091)			(610,091)
Operating Loss	$ (3,604,216)	$ (1,168,947)		$ (4,773,163)
Impairment of Assets	(105,946)			(105,946)
Finance costs	(1,715,275)			(1,715,275)
Other income, net	548,897			548,897
Income before income taxes & Minority Interest	$ (4,876,540)	$ (1,168,947)		$ (6,045,487)
Additions to PP&E	256,979	-		256,979
Total Assets	$ 131,009,652	$ 7,621,229	$ -	$ 138,630,881
Income taxes paid	$ -	$ -		$ -

(1) Included with operating costs in consolidated statements of income.

(Unaudited – Expressed in Canadian Dollars)

11. SEGMENTED INFORMATION, continued

Six months ended June 30, 2013	**Stevia**	**Consumer Products**	**Corporate items & Elminations**	**Consolidated Totals**
Operating Revenue	$ 6,687,678	$ 524		$ 6,688,202
Operating Costs (1)	(13,519,088)	(201,756)	140,410	(13,580,434)
Adjusted Operating Loss	$ (6,831,410)	$ (201,232)	$ 140,410	(6,892,232)
Stock based compensation expense (1)	(482,456)			(482,456)
Operating Loss	$ (7,313,866)	$ (201,232)	$ 140,410	$ (7,374,688)
Finance costs	(3,566,846)			(3,566,846)
Other income, net	732,100	(308,218)		423,882
Income before income taxes & Minority Interest	$ (10,148,611)	$ (509,451)	$ 140,410	$ (10,517,652)
Additions to PP&E	1,695	-	-	1,695
Total Assets	$ 100,277,531	$ 2,333,301	$ -	$ 102,610,832
Income taxes paid	$ -	$ -		$ -

(1) Included with operating costs in consolidated statements of income.

Six months ended June 30, 2012	**Stevia**	**Consumer Products**	**Corporate items & Elminations**	**Consolidated Totals**
Operating Revenue	$ 7,324,714	$ 328,480		$ 7,653,194
Operating Costs (1)	(12,606,024)	(1,497,427)		(14,103,451)
Adjusted Operating Profit	$ (5,281,311)	$ (1,168,947)		(6,450,257)
Stock based compensation expense (1)	(1,152,321)			(1,152,321)
Operating Loss	$ (6,433,631)	$ (1,168,947)		$ (7,602,578)
Impairment of Assets	(105,946)			(105,946)
Finance costs	(3,087,769)			(3,087,769)
Other income, net	785,488			785,488
Income before income taxes & Minority Interest	$ (8,841,858)	$ (1,168,947)		$ (10,010,805)
Additions to PP&E	284,588	-		284,588
Total Assets	$ 131,009,652	$ 7,621,229	$ -	$ 138,630,881
Income taxes paid	$ -	$ -		$ -

(1) Included with operating costs in consolidated statements of income.

(Unaudited – Expressed in Canadian Dollars)

11. SEGMENTED INFORMATION, continued

Revenue to external customers by geographical locations is as follows:

	Three months ended		Six months ended	
	30-Jun-13	**30-Jun-12**	**30-Jun-13**	**30-Jun-12**
China	$ 2,080,914	$ 6,445,785	$ 4,568,738	$ 7,190,241
North America	1,364,607	315,291	2,119,464	462,953
	$ 3,445,521	$ 6,761,076	$ 6,688,202	$ 7,653,194

During the six months ended June 30, 2013, two customers (2012 – two customers) of the Stevia CGU individually represented 10% or more of total consolidated revenue. The sales to these customers represented 30% (2012 – 23%) of total consolidated revenue.

12. SEASONALITY

GLG's stevia business is affected by seasonality. The harvest of the stevia leaves typically start at the end of July and continue through to the fall of each year. GLG's operations in China are also impacted by Chinese New Year celebrations during the month of January or February each year, during which many businesses close down operations for approximately two weeks. GLG's production year runs from October to September whereby raw materials are converted into WIP and finished goods.

13. COMMITMENTS

a) Operating leases

The Company renewed two five-year operating leases with respect to land and production equipment at the Qingdao factory in China. The leases expire in 2016, and the annual minimum lease payments are approximately $171,000 (RMB 1,000,000).

The Company entered into a thirty-year agreement with the Dongtai City Municipal Government, located in the Jiangsu Province of China, for approximately 50 acres of land for its seed base operation. Rent of approximately $135,000 (RMB 790,000) is paid every 10 years.

The Company entered into a five-year agreement for office premises located in Vancouver, Canada beginning June 1, 2011. The annual minimum lease payments are approximately $145,000.

(Unaudited – Expressed in Canadian Dollars)

13. COMMITMENTS, continued

a) Operating leases, continued

The minimum operating lease cash payments related to the above are summarized as follows:		Amounts
2013	$	166,488
2014		317,917
2015		319,293
2016		232,789
2017		-
Thereafter		270,000
	$	1,306,488

b) Marketing and promotional contracts

The Company entered into various marketing and promotional short term contracts to support the consumer business promotional campaigns. The total commitments as of June 30, 2013 are approximately $2,000 (RMB 10,417).

c) Investment in Juancheng

In April 2008, the Company signed a twenty year agreement with the government of Juancheng County in the Shandong Province of China, which gave the Company exclusive rights to build and operate a stevia processing factory as well as the exclusive right to purchase high quality stevia leaf grown in that region. The agreement requires the Company to make a total investment in the Juancheng County of $63,072,000 (US$60,000,000) over the course of the twenty year agreement to retain its exclusive rights. As of June 30, 2013, the Company has not made any investment in the county and there is no liability if the Company eventually does not make any investment in the region. However, the Company may lose its exclusivity right if no investment is made by the end of the term of the agreement.

14. CONTINGENT LIABILITIES

On December 14, 2011, a putative class action lawsuit was filed against the Company, its Chief Executive Officer and Chief Financial Officer in the U.S. District Court for the Southern District of New York. On January 26, 2012, a very similar putative class action lawsuit against the same defendants was filed in the U.S. District Court for the Southern District of New York. These lawsuits were consolidated into a single case on March 21, 2012, and a consolidated complaint was filed on May 10, 2012. On August 31, 2012, the company was served with proposed class action law suits filed in the Supreme Court of British Columbia and in the Ontario Superior Court of Justice. The Company has reviewed the allegations in the consolidated complaint and the Canadian claims, which concern certain purported misrepresentations and omissions in the Company's public filings, and believes that these allegations are completely without merit.

14. CONTINGENT LIABILITIES, continued

The Company has retained counsel and will defend itself vigorously in these matters. For the US action, the plaintiffs filed an amended consolidated complaint on March 15, 2013 after the defendants filed a motion to dismiss the proceeding. The defendants filed a motion to dismiss the amended consolidated complaint on March 29, 2013, which remains pending. For the Canadian matter, the Company is awaiting the completion of service and the appointment of a case management judge which is likely to take several months. For the Canadian matter, in order to hold the Canadian matter in abeyance pending further developments in the U.S. litigation, the Plaintiff proposed and the Company agreed to a tolling agreement that postpones the running of the limitation period for the claims under the B.C. and Ontario Securities Acts until the Plaintiff or the Company provides 30 days' notice terminating the tolling agreement.

The outcome of all the proceedings and claims against the Company, including the matters described above, is subject to future resolution that includes the uncertainties of litigation. Based on information currently known to the Company, management believes that it is not probable that the ultimate resolution of any such proceedings and claims, individually or in the aggregate, will have a material adverse effect on the consolidated financial position or results of operations. If it becomes probable that the Company is liable, a provision will be recorded in the period in which the change in probability occurs, and such a provision could be material to the consolidated financial position and results of operations.

15. COMPARATIVE FIGURES

Certain figures in the prior year consolidated financial statements have been reclassified to conform to the current year presentation.

16. EVENTS AFTER REPORTING DATE

While the Company was subject to cease trade orders (the "CTO's") issued by Canadian securities regulators and was unable to raise financing, Dr. Luke Zhang, CEO of the Company, provided separate loans to the Company in the equivalent amount of US$6,879,710 on April 27, 2012, US$1,000,000 on October 11, 2012, and US$3,665,236 on May 30, 2013. In connection with each of these loans, the Company's Board of Directors approved the issuance of 100 common share purchase warrants for every US$1,000 borrowed by the Company. The warrants could not be formally granted until the CTO's were revoked. Subsequent to the revocation of the CTO's, the Company granted, subject to approval of the Toronto Stock Exchange (the "TSX"), a total of 1,154,494 share purchase warrants at an exercise price of $1.00 per share with an expiry date of 24 months from the date of approval by the TSX.