GLG LIFE TECH CORPORATION

MANAGEMENT DISCUSSION & ANALYSIS

For the Three and Twelve Months Ended December 31, 2015

Dated: March 30, 2016

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A"), as amended, of GLG Life Tech Corporation is dated March 30, 2016. It provides a review of the financial results for the three and twelve months ended December 31, 2015, 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, 2015. 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 two 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 our five 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 and 1,500 metric tons of RA 97, our best-selling high-grade stevia product, and 130 metric tons of high-purity monk fruit extract.

Summary of Significant Accounting Policies

The Company's significant accounting policies are subject to estimates and key judgments about future events, many of which are beyond management's control. A summary of the Company's significant accounting policies is included in Note 4 of the Company's annual consolidated financial statements for the period ended December 31, 2015 (the "Financial Statements").

The preparation of financial statements in conformity with generally accepted accounting principles requires the appropriate application of certain accounting policies, many of which require us to make estimates and assumptions about future events and their impact on amounts reported in our financial statements and related notes. Since future events and their impact cannot be determined with certainty, the actual results will inevitably differ from our estimates. Such differences could be material to our financial statements.

We believe that our application of accounting policies, and the estimates inherently required therein, are reasonable. Our accounting policies and estimates are periodically re-evaluated, and adjustments are made when facts and circumstances dictate a change. Historically, we have found our application of accounting policies to be appropriate, and actual results have not differed materially from those determined using necessary estimates.

Basis of presentation

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("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, except for information related to cash flows. These consolidated financial statements are presented in Canadian dollars, except when otherwise indicated.

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of March 30, 2016, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that

are given effect in the Company's annual consolidated financial statements for the year ended December 31, 2015, could result in restatement of these consolidated financial statements.

The Company has restated the comparative December 31, 2014, balances to correctly treat a settlement of convertible debentures that occurred in the fourth quarter of fiscal 2014. During fiscal 2014, The Company recorded a gain of $2,000,857 on the settlement of the debentures that should have been reflected in equity, not net loss. The Company has also recorded $443,000 of a loss provision on the amendment of the notes on September 30, 2015. The effect on the ending statement of financial position is a reclassification of $2,443,857 between deficit and share capital. For the year ended December 31, 2014, net loss increased by $2,443,857 from $32,566,755 to $35,010,612. Loss per share changed from $0.95 to $1.02 per share. There was no effect to cash flow from operations, investing or activities. There was also no impact on the current year Statement of Financial Position.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of the business combination is measured as the aggregate of the consideration transferred, measured at the acquisition date at fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the appropriate share of the acquiree's identifiable net assets. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognized at their fair values at the acquisition date. Acquisition costs are expensed in the period that they are incurred.

Functional currency

The functional currency is the currency of the primary economic environment in which the entity operates. The Company has determined that none of its subsidiaries operate in a hyper-inflationary economic environment. The functional currency determinations were conducted through an analysis of the consideration factors identified in International Accounting Standard ("IAS") 21. For the analysis of the parent entity, the primary determining factors regarding revenue and labour, material and other costs were inconclusive. As a result, the secondary factors were considered. The secondary factors indicated that Canadian Dollars ("CAD") will be the primary currency in the future for financing activities. Therefore, the functional currency for GLG Canada is CAD. The reporting currency for the Company is CAD.

Foreign currency transactions are translated into the functional currency of the respective currency of the entity or division, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at period-end exchange rates are recognized in profit or loss. Non-monetary items that are not re-translated at period end are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value, which are translated using the exchange rates as at the date when fair value was determined. Gains and losses are recorded in the statement of operations.

The results and financial position of all the consolidated entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows: (i) assets and liabilities for each statement of financial position presented are translated at the rate of exchange in effect as at the date of statement of financial position; (ii) income and expense items for each statement of operations are translated at the average rates of exchange in effect during the reporting period; and (iii) all resulting exchange differences are recognized in accumulated other comprehensive income.

Basis of consolidation

These consolidated financial statements include the following subsidiaries:

	Jurisdiction of incorporation	Ownership Interest 2015	Ownership Interest 2014	Functional Currency
Subsidiaries				
Agricultural High Tech Developments Limited	Marshall Islands	100%	100%	HKD
Anhui Bengbu HN Stevia High Tech Development Company Limited	China	100%	100%	RMB
Chuzhou Runhai Stevia High Tech Company Limited	China	100%	100%	RMB
Dongtai Runyang Stevia High Tech Company Limited	China	100%	100%	RMB
Qingdao Runde Biotechnology Company Limited	China	100%	100%	RMB
Qingdao Runhao Stevia High Tech Company Limited	China	100%	100%	RMB
GLG Life Tech US, Inc.	USA	100%	100%	USD
0833416 BC Limited (formerly "GLG Weider Sweet Naturals Corporation")	Canada	55%	55%	USD

Subsidiaries are fully consolidated from the date on which control is transferred to the Company, until the date on which control ceases. Control is achieved when the Company is exposed or has rights to variable returns from its involvement with these subsidiaries, and has the ability to use its power to affect the amount of these returns.

All intercompany transactions and balances are eliminated on consolidation.

Financial instruments

Fair value measurement

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Financial assets

The Company determines the classification of its financial assets at initial recognition, depending on the nature and purpose of the financial asset. All financial assets, except financial assets at fair value through profit or loss ("FVTPL"), are recognized initially at fair value plus directly attributable transaction costs. The Company has not designated any of its financial assets as FVTPL. A financial asset is derecognized when the rights to receive cash flows from the asset have expired.

The Company classifies the fair value of financial instruments according to the following hierarchy based on the reliability of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The Company's financial assets include cash, short term investments and accounts receivable. The Company classifies these financial assets as "loans and receivables". The carrying value of short term investments and accounts receivable approximates their fair value due to their immediate or short term to maturity, or their ability for liquidation at comparable amounts.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment loss.

The effective interest method is a method of calculating the amortized cost of a financial asset/liability and of allocating interest expense over the corresponding period. The effective interest rate is the rate that discounts estimated future cash payments over the expected life of the financial asset/liability to its fair value.

Financial liabilities

The Company determines the classification of its financial liabilities at initial recognition, depending on the nature and purpose of the financial liability. All financial liabilities, except financial liabilities at FVTPL, are recognized initially at fair value plus directly attributable transaction costs. The Company has designated its derivative liabilities as FVTPL. A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

The Company's other financial liabilities include short-term loans, accounts payables and accruals, interest payable, long-term loans, liabilities on derivatives, and amounts due to related parties. The Company classifies these financial liabilities as "Other financial liabilities". The carrying value of short-term loans, accounts payable and accruals, interest payable and amounts due to related parties approximate their fair value due to their immediate or short term to maturity.

The Company's long-term loans and long-term amounts due to related parties are recorded at amortized cost. The liabilities on derivatives are recorded at fair value using level 2 inputs. See Note 13 and Note 16 for details on the assumptions for the level 2 fair value determination.

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

Impairment

Financial assets

Financial assets, other than FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

For all financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables that are not assessed for impairment individually, these are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is

reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date of impairment is reversed and does not exceed what the amortized cost would have been had the impairment not been recognized.

Non-financial assets with finite useful lives

For non-financial assets, such as property, plant and equipment and finite-life intangible assets, an assessment is made at each reporting date as to whether there is an indication that an asset may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell ("FVLCS") and value in use ("VIU"). FVLCS is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties less the costs of disposal or current replacement cost method which is a valuation technique that reflects the amounts that could be required to replace the service capacity of the assets. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

For assets that generate largely independent cash inflows, which is comprised of intangible assets of the Company, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Cash

Cash consists of cash on hand and deposits held with banks readily convertible into cash and purchased with original maturities of three months or less.

Short-term investments

Short-term investments consist of guaranteed investment certificates with original maturities between three and twelve months.

Accounts receivable and concentration of credit risks

Accounts receivable are stated at amortized cost less any impairment. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in existing accounts receivable. The Company determines the allowance based on historical write-off experience and customer economic data.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from credit sales and has a high concentration of credit risk as the accounts receivable are made up of a small number of customers. It is the Company's policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices. Each new customer is analyzed individually for creditworthiness. A review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer. The executive management determines concentrations of credit risk frequently by monitoring the creditworthiness rating of existing customers and through a review of the trade receivables' aging analysis. Over-due balances are reviewed for collectability and allowance for doubtful amounts, where appropriate, will be provided. Customers that are graded as "high risk" are placed on a restricted customer list, and future sales are made only with payment in advance. However, based on current facts and circumstances, the Company believes that it does not require collateral to support the carrying value of the accounts receivable.

Inventory

Raw materials, work-in-progress and finished goods are measured at the lower of cost, determined on a weighted average basis and net realizable value.

The cost of raw materials is comprised of the purchase price, applicable taxes and other costs incurred in bringing inventory to their present location and condition. The cost of finished goods includes cost of materials and cost of conversion. The cost of conversion includes costs directly related to the units of production, such as direct labour, and fixed and variable production overheads, based on normal operating capacity.

The net realizable value of inventory is generally considered to be the selling price in the ordinary course of business less the estimated costs of completion and estimated costs to make the sale.

The amount of any impairment of inventories to net realizable value and all losses of inventories is recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any impairment of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

Property, plant and equipment

Recognition and measurement

On initial recognition, equipment is valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary for use. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Land use rights have been accounted for as an asset in the consolidated financial statements. However, all lands in China are owned by the Chinese government (the "Government"). In accordance with the terms as established by Chinese law, the Government may sell the right to use the land for a specific period of time. If in the public interest there is a need to re-develop the land, the Government may revoke the right at any time. The purpose of the land use is restricted. In the event that the land is used for purposes outside the scope of the purpose for which they were granted, the Government could revoke such rights. Land use rights are recorded at cost less accumulated amortization and are amortized over 50 years.

Subsequent costs

The cost of replacing part of an item of equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Subsequent costs other than maintenance and repairs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Gains and losses

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other income in profits or loss.

Amortization

Amortization is calculated using the straight line method over the estimated useful lives of the assets as follows:

Ion exchange resin equipment - 15 years
Buildings - 20 years
Manufacturing equipment - 10 years
Motor vehicles, computer equipment, computer software, furniture and fixtures – 5 years

Amortization is provided over the term of the lease on leasehold and land use rights. Amortization is not provided for construction in progress until the assets are ready for use.

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Capitalization of interest

Interest on long term debt associated with the construction of long-term assets is capitalized into property, plant and equipment, where the borrowing cost is attributable to the acquisition, construction or production of a qualifying asset until the facilities are substantially completed.

For funds borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization would be the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

For non-specific funds borrowed and being used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization would be determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate shall be the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs that an entity capitalizes during a period shall not exceed the amount of borrowing costs it incurred during that period. The capitalization rate for the year ended December 31, 2015, was nil %.

Biological assets

The biological assets of the Company are bearing biological assets consisting of mother and father stevia plants that are cultivated and developed for the active ingredient (steviol glycosides) content in their leaves. Expenditures incurred in planting and developing stevia seedlings up to maturity are recognized directly in profit

or loss. Biological assets are stated at fair value less any accumulated impairment losses. Fair value is determined by net present value of future cash flows generated by the related assets. Any gain or loss on fair value adjustment is recognized in profit or loss. Upon disposal or retirement of biological assets, the difference between the disposal proceeds and the carrying value of such biological assets are recognized in profit or loss accordingly.

Revenue recognition

Revenue from all product sales of the Company is recognized when products are shipped to customers and ownership is transferred to customers, when the price is fixed or determinable and when the ultimate collection is reasonably assured. Customer prepayments are recorded as advances from customers and revenue is not recognized until the shipment of goods occurs. Shipping and handling costs related to product sales are included in cost of sales.

Share-based payments

The Company grants stock options and restricted shares to employees, directors, and consultants pursuant to the Stock Option and Restricted Share Plan. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Option pricing models require the input of highly subjective assumptions, including the expected price volatility and expected life of the option. The Company estimates forfeitures at the grant date and revises the estimate as necessary if subsequent information indicates that actual forfeitures differ significantly from the original estimate. Changes in these assumptions can materially affect the fair value estimate.

Provisions

Provisions represent liabilities to the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and where the amount can be reliably estimated. Provisions may represent obligations associated with the retirement of reclamation of long-lived assets. Provisions are not recognized for future operating losses.

Comprehensive income

Comprehensive income is comprised of net earnings for the period and other comprehensive income. Included in accumulated other comprehensive income are foreign exchange amounts resulting from the translation of certain subsidiaries' functional currency to the Company's presentation currency.

Earnings per share

Basic earnings per share are calculated using the weighted average number of common shares outstanding during the period.

Diluted net earnings per share is computed similar to basic net earnings per shares, except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants at the beginning of the reporting period, if dilutive. The number of additional shares is calculated assuming that outstanding stock options and warrants were exercised and the proceeds from such exercises were used to repurchase common shares at the average market price during the reporting period. Stock options and warrants are dilutive when the market price of the common shares at the end of the period exceeds the exercise price of the options and warrants and when the Company generates net earnings.

Income taxes

Deferred taxes result from differences between the financial statement and tax bases of our assets and liabilities and are adjusted for changes in tax rates and tax laws when changes are enacted. The effects of future changes in income tax laws or rates are not anticipated.

The Company is subject to income taxes in Canada and in other foreign jurisdictions. The calculation of our tax provision involves the application of complex tax laws and requires significant judgment and estimates. The deferred tax asset for each jurisdiction at each reporting date will be assessed for the possibility if the asset can be realized. The ultimate realization of a deferred tax asset is dependent upon the generation of future taxable income of the same character and in the same jurisdiction. All available positive and negative evidence in making this assessment, including, but not limited to, the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies will be considered. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Company accounts for income taxes under the asset and liability method which includes the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this approach, deferred taxes are recorded for the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The provision for income taxes represents income taxes paid or payable for the current year plus the change in deferred taxes during the year.

Change in accounting policies

The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards with a date of initial application of January 1, 2015:

Annual improvements 2012

Annual improvements 2012 are amendments that include changes from the 2010-12 cycle of annual improvements project that affect seven standards: IFRS 2, "Share based payments"; IFRS 3, "Business combinations"; IFRS 8, "Operating segments"; IFRS 13, "Fair value measurement"; IAS 16, "Property, plant and equipment" and IAS 38, "Intangible assets"; Consequential amendments to IFRS 9, "Financial instruments", IAS 37, "Provisions, contingent liabilities and contingent assets"; and IAS 39, "Financial instruments – Recognition and measurement".

Annual improvements 2013

Annual improvements 2013 are amendments that include changes from the 2011-13 cycle of annual improvements project that affect four standards: IFRS 1, "First time adoption"; IFRS 3, "Business combinations"; IFRS 13, "Fair value measurement"; and IAS 40, "Investment property".

New standards, amendments and interpretations not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the "IASB" or International Financial Reporting Interpretations Committee ("IFRIC") that are not yet effective as of December 31, 2015, and have not been applied in preparing these financial statements. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

IAS 16, Property Plant and Equipment ("PPE") and IAS 41, Agriculture

IAS 16 and IAS 41 are amended to distinguish bearer plants from other biological assets and to require bearer plants to be classified as PPE and accounted for under IAS 16. This standard is effective for years beginning on or after January 1, 2016.

IFRS 9, Financial instruments

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The adoption of the first phase of IFRS 9 will have an effect on classification and measurement of the Company's financial assets, but will not have an impact on classification and measurements of financial liabilities. IFRS 9 is effective for annual periods commencing on or after January 1, 2018. We are currently evaluating the impact the standard is expected to have on our consolidated financial statements.

IFRS 15, Revenue from contracts with customers

The IASB has replaced IAS 18, "Revenue in its entirety" with IFRS 15 - Revenue from contracts with customers ("IFRS 15"), which is intended to establish a new control-based revenue recognition model and change the basis for deciding whether revenue is to be recognized over time or at a point in time. IFRS 15 is effective for annual periods commencing on or after January 1, 2018. We are currently evaluating the impact the standard is expected to have on our consolidated financial statements.

Annual improvements 2012 - 2014

Annual improvements 2012-2014 are amendments that include changes from the 2012-14 cycle of annual improvements project that affect seven standards: IFRS 5, "Non-current assets held for sale and discontinued operations"; IFRS 7, "Financial insruments - Disclosures"; IAS 19, "Employee benefits" and IAS 34, "Interim financial reporting". The amendment is effective to the Company as of January 1, 2016. The Company will incorporate the amendments into the accounting policies for the year ended December 31, 2016.

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 previously discussed in Note 3.

Functional currency determination

The preparation of the consolidated financial statements requires management to make judgments regarding the functional currency of the Company and its subsidiaries. As discussed in Note 4(b), 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 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.

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, the agricultural unit as well as the North American offices 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 12 in the Financial Statements for further details.

Biological Assets

Biological assets are measured at each reporting date, at fair value less costs to sell, except when fair value cannot be reliably measured. If fair value cannot be reliably measured, biological assets are measured at cost less depreciation and impairment losses. Although a reliable measure of fair value may not be available at the point of initial recognition, it may subsequently become available. In such circumstances, biological assets are measured at fair value less costs to sell from the point at which the reliable measure of fair value becomes available. Gains and losses that arise on measuring biological assets at fair value less costs to sell are recognized in the statement of net earnings in the period in which they arise. Costs to sell include all costs that would be necessary to sell the biological assets, including costs necessary to get the biological assets to market. Management uses estimates for some of the inputs into the determination of fair value. To the extent that actual values differ from estimates, biological assets, net loss and comprehensive income (loss) will be affected in future periods.

Uncertainty estimation

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 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.

Contingencies

The Company is subject to various claims and contingencies related to lawsuits, taxes, commitments under contractual and other commercial obligations. Contingent losses are recognized by a charge to income when it is likely that a future event will confirm that an asset has been impaired or a liability incurred at the date of the financial statements and the amount can be reasonably estimated. Significant changes in assumptions such as the likelihood and estimates of the amount of a loss could result in recognition of additional liabilities.

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.

Stock-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

Launch of GoZero™ Solutions

On February 1, 2016, GLG announced the launch of GoZero™ Solutions. This innovative portfolio provides GLG's customers with unparalleled natural and Non-GMO zero-calorie sweetener options and proprietary formulations tailored to our customers' specific calorie reduction needs.

The challenges to global food and beverage companies are well documented with respect to the need for reduced amounts of sugar in formulations. The global per capita sugar consumption peaked in the late 1990's; however, it has been declining ever since due to an increase in health awareness and prevalence of diet-related health conditions, such as diabetes. Moreover, government regulations and guidelines, such as sugar taxes in the US and Mexico, and new dietary guidelines limiting the amount of added sugar in foods have made it challenging for food and beverage manufacturers to continue to use the same amounts of sugar in their formulations as they have used in the past. Added to this challenge, consumers' willingness to consume artificial sweeteners has been declining due to a general mistrust in synthetic chemical compounds.

In fact, consumers are increasingly looking to incorporate natural, plant-based ingredients in their diets. The movement of the market toward zero-calorie, natural sweeteners has placed immense pressure on marketing, R&D and procurement teams to reformulate to reduce sugar and artificial sweeteners in their products.

However, the transition to stevia as a natural zero calorie sweetener has proved challenging due to its known aftertaste issues such as astringency and bitterness. But things are changing for the better, as GLG introduced its newest product line to global food and beverage companies – GoZero™ Solutions – to address all these challenges with going zero.

GLG's GoZero™ Solutions offer:

1. Largest portfolio containing the most complete set of zero-calorie, natural sweeteners including stevia, enzymatically modified stevia, monk fruit and bitter blockers
2. Better tasting stevia and monk fruit with ClearTaste™ natural bitter blocker
3. Custom formulations for customers
4. Fast prototyping of reduced or zero calorie formulations for R&D groups
5. Superior taste and flavor profile tailored to specific food matrices
6. Fast response and support from our experienced support team
7. Cost effective solutions
8. Clean labels

9. Reduction in use of sugar while maintaining taste
10. Removal of artificial sweeteners from the formulation
11. Halal, Kosher, Non-GMO, and natural solutions
12. Organic and conventional format

GoZero™ Solutions is the result of over 15 years' hard work of more than 60 agricultural scientists, product innovation and food application specialists, and food engineers. This concerted effort enabled GLG to formulate a diverse product portfolio applicable to a wide range of food, beverage, and dietary supplement products that are cost-effective and superior in taste, flavor, and quality.

Major Advances in High-Purity Leaf for Reb M and Reb D

On February 29, 2016, GLG announced a major agricultural breakthrough in its agricultural R&D program. 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"). The program's latest accomplishment is a stevia leaf strain with Reb M levels more than ten times higher than conventional stevia leaf.

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. Bringing a naturally-sourced Reb M extract to the market on a commercial scale requires a dramatic increase in the presence of Reb M glycosides in the leaf.

A dramatic increase in Reb M is just what GLG achieved. Through development of its Reb M seedling using its non-GMO patented breeding methodology, GLG has now produced more than a 1000% increase in Reb M levels in stevia leaf. Conventional stevia leaf has Reb M concentrations at less than 0.1% of dry leaf weight, and less than 1% of total steviol glycosides ("TSG"). In GLG's seedling, Reb M constitutes over 1% of dry leaf weight, and over 8% of the TSG's. Further, TSGs constitute about 13% of dry leaf weight in GLG's new seedling, which is above the industry average of 10-12% of dry leaf weight.

The 1000% increase in Reb M glycosides in its new variety is the result of two key factors: (1) an expanded Reb M seedling development program that GLG undertook in 2015 and (2) the 25 years' experience of its chief agronomist. The 2015 program involved evaluating thousands of different stevia strains, requiring an extensive program to identify and promote the most promising strains. GLG's 2014 breakthrough with its high Rebaudioside C ("Reb C") seedlings clearly demonstrated the promise of its patented Non-GMO seedling hybridization technology to significantly increase scarce glycosides. And in 2015, GLG announced a stevia leaf strain with significantly enhanced levels of both Rebaudioside D ("Reb D") and Reb M. This latest achievement, focused specifically on Reb M, further demonstrates GLG's agricultural prowess.

GLG is in the process of filing for patent protection for its Reb D and Reb M seedlings. And GLG has filed two GRAS applications with the FDA for high-purity Reb D (GRN 548) and Reb M (GRN 512), with purity levels ranging from 80% to 95% to be used as a sweetener.

Commencement of Monk Fruit Deliveries

Earlier in 2015, GLG shipped its first orders of high-purity monk fruit extracts, working towards satisfaction of the contract it signed last year with Tate & Lyle. As of September 30, 2015, GLG had completed all deliveries of monk fruit extract under that contract. The 2015 monk fruit harvest took place in the fourth quarter of 2015; GLG purchased fruit in multiple regions in China. GLG commenced processing in the fourth quarter and is continuing to deliver customer orders in the first and second quarter 2016.

Producing monk fruit products is a natural extension of GLG's core stevia product line; these product lines are each naturally sourced sweetener ingredients and monk fruit is often used in tandem with stevia. GLG differentiates itself from other monk fruit producers in four ways: (1) its competitive advantage in establishing agriculture systems in China, including the introduction of Good Agriculture Practices ("GAP") by its monk fruit farmers, superior monk fruit seedlings and its proven methods to expand the amount of farming in other crops such as stevia; (2) its commitment to its Fairness to Farmers program, whereby it aims to promote a healthy economy via fair, stable income for farmers in the monk fruit growing region; (3) its advanced processing and extraction technology, which will enable GLG to more efficiently and economically produce monk fruit extracts and (4) its large industrial processing capacity, which well positions GLG for anticipated growth in the monk fruit market driven by international food and beverage companies.

Partnership with MycoTechnology Corporation for Improved Taste of Stevia

On January 7, 2016, GLG, in conjunction with MycoTechnology Corporation ("MycoTech"), together announced a commercial partnership agreement to incorporate MycoTech's ClearTaste™ product to improve the taste of stevia and monk fruit. The partnership combines GLG's strengths in the natural sweetener space with the benefits of MycoTech's innovative ClearTaste product, a certified USDA organic bitter blocking technology, in order to improve the taste of stevia and monk fruit.

There is a major trend underway in which mass produced, low nutritional quality foods, loaded with added sugar, salt and fat are being replaced with healthy, natural, low and zero-calorie alternatives. The changing consumer landscape has food manufacturers looking for natural high-intensity sweetener alternatives such as stevia and monk fruit. However, food manufacturers have also struggled with stevia's aftertaste and astringent flavor profile.

MycoTech developed ClearTaste, derived from mushrooms, which as to stevia has the effect of removing its less desirable aftertaste. ClearTaste is a natural, GMO-free and chemical-free ingredient solution that works by harnessing the natural extracts found in gourmet mushrooms. The compounds are unique to fungi and are highly effective at improving the flavor profiles of stevia and monk fruit.

The initial term of the agreement is five years during which GLG will be MycoTech's preferred vendor of stevia and monk fruit products. GLG further enjoys certain exclusivities in the commercial agreement with MycoTech products and the agreement also allows GLG to work directly with MycoTech to produce new products using both companies' technology in return for purchase commitments with MycoTech.

Launch of P-Pro Plus

On March 9, 2016, GLG announced, in partnership with MycoTech, the launch of P-Pro Plus, a revolutionary product that complements the many benefits of pea protein with MycoTech's groundbreaking 100% natural and USDA Organic certified bitter blocker, ClearTaste™, to offer a pea protein without any of the taste profile issues many food, beverage, and dietary supplement manufacturers experience with pea protein by itself.

Pea protein has recently drawn a lot of attention for being highly sustainable, vegan, vegetarian-friendly, hypoallergenic, a good source of amino acids, easy to digest and a good alternative to soy protein products. Pea protein promotes not only its protein content, but also fiber, vitamins and minerals. As a legume, peas return nitrogen to the soil and are considered a highly sustainable food source. Increased demand for more sustainable protein globally and more vegan and allergen-free options is driving development of more plant-based protein sources. Pea protein products can replace a significant percentage of other proteins in many applications and can offer cost savings. Furthermore, pea protein isolate can replace soy isolate on a weight-for-weight basis without a negative organoleptic impact.

Adding plant protein sources to food and beverage applications presents some challenges, however, such as change in flavor profile of the finished product. The number one challenge faced by food and beverage formulators introducing or transitioning their products to include plant-based proteins, such as pea protein, remains balancing the benefits of these natural ingredients with a taste profile that appeals to the mainstream palate. The partnership between GLG and MycoTech overcomes this challenge, providing food, beverage and sport supplement companies the ability to produce natural healthful products without the bitter taste profile and off-notes that are traditionally associated with pea protein.

P-Pro Plus offers not only the many benefits of regular pea protein, but also a taste profile that formulators and consumers alike will appreciate. We expect that this improved taste profile will broaden market appeal, reach new product segments and result in deeper market penetration of pea protein. P-Pro Plus is available in both conventional and organic varieties and in various mesh sizes and protein purity levels and can be tailored to your individual product needs.

Launch of BevSweet™ and BakeZeroCal™

In February 2015, the Company announced two new products specifically formulated for two industry applications. BakeZeroCal™, for the baking industry, provides significant calorie reduction while also providing the bulking and browning attributes commonly desired by bakers and consumers alike. BevSweet™, for the beverage industry, allows food and beverage companies to reduce calories and naturally sweeten their products with decreased formulation time and with no solubility issues. Each product is a special blend providing an improved taste profile, including a well-rounded sucrose-like sweetness, and ease of use. BakeZeroCal and BevSweet will enable companies to formulate new products and reformulate existing products with less complexity and lower cost.

Non-GMO Project Verified

On September 23, 2015, GLG announced that it had received Non-GMO Project Verification across both its stevia and monk fruit natural zero-calorie sweetener product lines.

For over a decade, GLG has offered food and beverage companies, and their customers, great tasting natural zero-calorie sweeteners with an emphasis on quality and sustainability. It has done so through full vertical integration, strong partnerships with farmers and a commitment to improving the communities in which GLG operates. In an effort to further GLG’s commitment to serving its customers’ evolving needs while also demonstrating its social responsibility, GLG made achieving Non-GMO Project Verification a focus for 2015.

The Non-GMO Project provides North America’s only independent verification to ensure that non-GMO products are produced according to rigorous best practices for GMO avoidance.

Latest Product Accomplishments Under FDA’s GRAS Program

Consistent with its role as a leader in the sweetener industry, GLG places great importance on adherence to the Generally Recognized as Safe (“GRAS”) program administered by the United States Food and Drug Administration (“FDA”). Through this program, for each of its core sweetener products, GLG undertakes expert studies and in-depth consultation through GRAS Associates, LLC, which convenes independent panels of scientists to spearhead safety assessments for each product to determine that the product is GRAS. The output of each study is then submitted to the FDA GRAS program, whereupon the submission is reviewed by the FDA. If the FDA finds no issues with the submission, it issues a Letter of No Objection, reflecting the FDA’s view that it has no issue with the Company’s determination that its product is GRAS.

2014 was a productive year for GLG's GRAS submissions, with four different products garnering Letters of No Objection from the FDA. GLG has continued this trend; in 2015, we received two additional Letters of No Objection from the FDA:

- On February 17, 2015, the Company announced that it had received a Letter of No Objection regarding its high-purity Rebaudioside C extract products. GLG is the first company to have Rebaudioside C products deemed GRAS in compliance with the FDA's GRAS program. Furthermore, in late 2014, GLG announced its development of its "Reb C Gold" seedling – containing levels of Reb C many times higher than that found in prior stevia seedling strains. It expects to offer Reb C extract products commercially in late 2016.
- On April 27, 2015, the Company announced that it had received a Letter of No Objection regarding its high-purity Rebaudioside D extract products. To date, the supply availability and high price of Rebaudioside D extracts have been limiting factors for their broader use in the natural sweetener market. However, GLG is working on an agriculture R&D program to address both of these factors.

GLG has the largest number of stevia extract products certified under the GRAS process, as well as GRAS status for its Monk fruit extract products. Pursuing and obtaining GRAS designations furthers GLG's commitment to maintaining the highest quality standards for its products, and to ensure that each of its naturally-sourced sweetener products conforms to the GRAS compliance standards.

Corporate Rebranding

On January 27, 2015, the Company unveiled its new corporate brand and logo, in addition to the launch of its new website (www.glglifetech.com). GLG's rebranding emphasizes the Company's Canadian heritage and reflects its new business strategy, which encompasses three complementary product lines. The new website presents a renewed focus on GLG's closed loop system that includes superior agriculture programs, production excellence, and our focus on sustainability and corporate social responsibility throughout the supply chain.

The vision for the new brand and logo came together in a symbolization of several essential aspects of our Company's strategy. The maple leaf, a beloved Canadian symbol, forms the centerpiece of our new logo symbolizing our roots as a public company in Canada. 2015 marks GLG's 10th anniversary as a publically traded company in Canada. The outer portion of the logo – a circular trio of crescents – symbolizes GLG's three core product lines; stevia extracts, long our flagship product; monk fruit, with GLG entering the market as the highest-capacity producer of this highly desired sweetener; and our Naturals+ line of ingredients that offers both functional ingredients complementary to the sweetener space as well as products tailored to meet particular market needs. The brand and logo well captures the essence of GLG as a proudly-Canadian innovator and leader in the world of natural zero calorie sweeteners.

The launch of GLG's new website elaborates on these themes, and more. Visitors will find even greater emphasis on our world-class agricultural programs, including the development of superior non-GMO varietals of stevia and, soon, monk fruit, our technological prowess in the production and innovation arena and our commitment to sustainability and corporate social responsibility. Through the vision of its leaders, the excellence of its team members and the holistic nature of and demanding standards manifest throughout its supply chain, GLG leverages these assets to provide leading natural sweeteners and ingredient solutions to businesses globally.

Appointment of Paul Block to GLG's Board of Directors

On March 3, 2015, the Company announced the appointment of Mr. Paul R. Block to its Board of Directors. Mr. Block brings a wealth of experience in sales, marketing, and business development as a senior executive in the

global food and beverage and sweetener industries. Mr. Block most recently served as Chief Executive Officer of Merisant Worldwide Company, Inc. and the Whole Earth Sweetener Co., LLC. While at Merisant, Mr. Block oversaw the company's well-recognized line of sweeteners, including the Equal® sweetener brand. Prior to joining Merisant, Mr. Block held C-level positions at Sara Lee Coffee and Tea Consumer Brands, Allied Domecq Spirits USA and Groupe Danone. Mr. Block has been a key figure in developing the global stevia tabletop market through his role as CEO at Merisant and the Whole Earth Sweetener Co., LLC., launching the successful Pure Via® line of tabletop zero calorie stevia sweeteners.

Mr. Block is an excellent strategist who complements our current Board makeup and skill set. He has a proven track record of innovation and building shareholder value in the sweetener and food and beverage industries.

Annual General Meeting

The Company held its Annual General Meeting on June 26, 2015, in Vancouver, B.C. The shareholders voted in all nominated directors, with favorable votes for each exceeding 97%. 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 2014 and 2015.

In thousands Canadian $, except per share amounts	3 Months Ended December 31		% Change	Year Ended December 31		% Change
	2015	2014 Restated		2015	2014 Restated	
Revenue	$7,357	$7,535	(2%)	$30,365	$19,982	52%
Cost of Sales	($7,121)	($7,323)	(3%)	($28,806)	($22,027)	31%
% of Revenue	(97%)	(97%)	0%	(95%)	(110%)	15%
Gross Profit (Loss)	$236	$212	11%	$1,559	($2,046)	(176%)
% of Revenue	3%	3%	0%	5%	(10%)	15%
Expenses	($3,921)	($2,729)	44%	($11,691)	($9,283)	26%
% of Revenue	(53%)	(36%)	(17%)	(38%)	(46%)	8%
(Loss) from Operations	($3,685)	($2,517)	46%	($10,132)	($11,328)	(11%)
% of Revenue	(50%)	(33%)	(17%)	(33%)	(57%)	23%
Other Expenses	($7,895)	($18,007)	(56%)	($15,577)	($23,734)	(34%)
% of Revenue	(107%)	(239%)	132%	(51%)	(119%)	67%
Net (Loss) before Income Taxes	($11,580)	($20,524)	(44%)	($25,709)	($35,063)	(27%)
% of Revenue	(157%)	(272%)	115%	(85%)	(175%)	91%
Net (Loss)	($11,580)	($20,438)	(43%)	($25,709)	($35,011)	(27%)
% of Revenue	(157%)	(271%)	114%	(85%)	(175%)	91%
Loss per share (LPS, Basic & Diluted)	($0.31)	($0.60)	(49%)	($0.68)	($1.02)	(34%)
Other Comprehensive Income (Loss)	($351)	$865	(141%)	$5	$1,148	(100%)
% of Revenue	(5%)	11%	(16%)	0%	6%	(6%)
Total Comprehensive (Loss)	($11,931)	($19,573)	(39%)	($25,704)	($33,863)	(24%)
% of Revenue	(162%)	(260%)	98%	(85%)	(169%)	85%

Revenue

Revenue for the three months ended December 31, 2015, was $7.4 million compared to $7.5 million in revenue for the same period last year. Although there was no significant change in revenue, comparing the fourth quarter in 2015 to the fourth quarter in 2014, international sales contributed 86% of fourth quarter 2015 revenues, which is 3.4 times the amount for the same period in 2014 (25%). International sales were up 234% for the three-month period ending December 31, 2015, compared to the same period in 2014, which reflects the Company's continuing strategy of moving away from sales of lower-purity stevia extract sales to other China-based stevia providers, instead pursuing international customers that generate monthly recurring revenues from higher-purity stevia and monk fruit extracts.

Revenue for the year 2015 was $30.4 million, an increase of 52% compared to $20.0 million in revenue for the prior year. This 52% increase in sales, comparing 2015 to 2014, was driven by a number of factors including increases in sales to international customers, sales from new product lines including monk fruit and Naturals+, and other natural ingredient sales.

The main revenue increase came from an increase in international sales, again reflecting the Company's continuing strategy focusing on increasing its sales of high purity stevia extracts to international customers. International sales were up 229% for the twelve-month period ending December 31, 2015, compared to the same period in 2014. International sales have contributed 88% of 2015 annual revenues which is more than double the amount for the same period in 2014 (42%).

The Company also generated significant sales from monk fruit extracts in 2015.

Sales for the GLG Naturals+ product line accounted for 14% of revenue for the twelve-month period in 2015 compared to nil in the comparable 2014 period. The Company continues to make significant progress in

developing its GLG Naturals+ product line in 2015 with twelve-month revenue climbing to $4.2 million from nil in the comparable 2014 period.

Cost of Sales

For the quarter ended December 31, 2015, the cost of sales was $7.1 million compared to $7.3 million in cost of sales for the same period last year ($0.2 million or 3% decrease). Cost of sales as a percentage of revenues was 97% for the fourth quarter 2015, compared to 97% for the comparable period.

Cost of sales for the twelve months ended 2015 was $28.8 million compared to $22.0 million for 2014 or an increase of $6.8 million or 31%. Cost of sales as a percentage of revenues was 95% in 2015 compared to 110% in 2014, a decrease of 15 percentage points.

The decrease in cost of sales as a percentage of revenue for the twelve months ended December 31, 2015, compared to the prior comparable period, was driven by lower production costs of the mix of monk fruit, stevia, and Naturals+ products to international customers compared to the higher cost of lower purity stevia products sold in the comparable period.

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 2015, and capacity charges of $1.8 million were charged to cost of sales (representing 6% of cost of sales) compared to $1.9 million charged to cost of sales in 2014 (representing 9% of cost of sales).

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 profit for the three months ended December 31, 2015, was $0.2 million, compared to $0.2 million for the comparable period in 2014. The gross profit margin was 3% in each of the fourth quarter 2015 and the fourth quarter 2014.

Gross profit for 2015 was $1.6 million, an increase of $3.6 million over a $2.0 million gross loss for the comparable period in 2014. The gross profit margin for the year ended December 31, 2015, was 5% compared to negative 10% for the year ended December 31, 2014, or an improvement of 15 percentage points from the previous year.

The improvement to gross profit for full-year 2015 was driven by the positive change in product mix sold during the year ended December 31, 2015, compared to the prior period, with increased sales to international customers with higher gross profit realized in 2015. International sales represented 88% of 2015 sales compared to only 42% in 2014 sales.

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	Year Ended December 31		% Change
	2015	2014 Restated		2015	2014 Restated	
G&A Exp	($2,671)	($1,697)	57%	($8,725)	($6,651)	31%
Stock Based Compensation Exp	($277)	($335)	(18%)	($1,257)	($1,607)	(22%)
Amortization Exp	($973)	($697)	40%	($1,709)	($1,025)	67%
Total	($3,921)	($2,729)	44%	($11,691)	($9,283)	26%

G&A expenses for the three months ended December 31, 2015, was $2.7 million compared to $1.7 million in the same period in 2014. The majority of the increase was due to a one-time increase in consulting expenses in the quarter.

G&A for the year ended December 31, 2015, was $8.7 million compared to $6.7 million in the same period in 2014 or an increase of 31% or $2.0 million. G&A increases were seen in consulting fees ($1.1 million), salaries and wages ($0.3 million) driven by increased selling costs, other facility-related charges ($0.6 million) driven by higher production activities, and increases in China property and business taxes ($0.4 million), which were offset by reductions in research and development ($0.2 million) and rental expenses ($0.2 million).

Stock-based compensation was $0.3 million for the three months ended December 31, 2015, compared with $0.3 million in the same quarter of 2014. 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 $1.3 million for 2015, compared with $1.6 million in 2014.

G&A-related depreciation and amortization expenses for the three months ended December 31, 2015, were $1.0 million compared with $1.4 million for the same quarter of 2014. G&A-related depreciation and amortization expenses for the year ended December 31, 2015, were $1.7 million compared with $1.0 million for the prior year.

Other Expenses

In thousands Canadian $	3 Months Ended December 31 2015	2014 Restated	% Change	Year Ended December 31 2015	2014 Restated	% Change
Other (Expenses)	($7,895)	($18,007)	(56%)	($15,577)	($23,734)	(34%)
% of Revenue	(107%)	(239%)	132%	(51%)	(119%)	(67%)

Other expenses for the three months ended December 31, 2015, was $7.9 million, a $10.1 million decrease compared to $18.0 million for the same period in 2014. The decrease in other expenses for the fourth quarter of 2014 of $10.1 million is attributable to (1) a decrease in impairment of PP&E of $4.1 million, (2) a decrease in impairment of recoverable sales taxes in China of $6.4 million, (3) a decrease in impairment of prepaid expense impairment of $0.7 million, and (4) a decrease in losses on the amendment of convertible notes of $0.4 million, which were offset by (5) an increase of $0.8 million in interest expenses and other expenses and (6) an increase in bad debt expenses of $0.7 million.

Other expenses for the year ended December 31, 2015, decreased from $23.7 million to $15.6 million or a decrease of $8.1 million. The decrease in other expenses for the year of 2015 of $8.1 million is attributable to (1) a decrease in impairment of PP&E of $4.1 million, (2) a decrease in impairment of recoverable sales taxes in China of $7.9 million, (3) a decrease in prepaid expense impairment of $1.0 million, and (4) a decrease in losses on the amendment of convertible notes of $0.4 million, which were offset by (5) an increase of $3.0 million in interest expenses, (6) an increase in losses from foreign exchange of $1.1 million, (7) an increase in other expenses of $0.4 million, (8) an increase in bad debt expenses of $0.6 million and (9) a loss in disposal of fixed assets of $0.1 million.

Foreign Exchange Gains (Losses)

Exchange rates Noon rate (as compared to the Canadian $)	2015 31-Dec	2015 30-Sep	2015 30-Jun	2015 31-Mar	2014 31-Dec	2014 30-Sep	2014 30-Jun	2014 31-Mar
U.S. Dollars	0.7225	0.7466	0.8017	0.7885	0.8620	0.8922	0.9367	0.9047
Chinese RMB	4.6926	4.7461	4.9702	4.8876	5.3505	5.4765	5.8106	5.6243

Exchange rates Noon rate (as compared to the US $)	2015 31-Dec	2015 30-Sep	2015 30-Jun	2015 31-Mar	2014 31-Dec	2014 30-Sep	2014 30-Jun	2014 31-Mar
Chinese RMB	6.4952	6.3569	6.1998	6.1989	6.2071	6.138	6.2034	6.2165

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, 2015, the exchange rate for RMB per Canadian dollar was 4.6926 compared to the exchange rate of 5.3505 as at December 31, 2014, reflecting an appreciation of the RMB against the Canadian dollar. As at December 31, 2015, the exchange rate for USD per Canadian dollar was 0.7225 compared to the exchange rate of 0.8620 as at December 31, 2014, reflecting an appreciation of the USD against the Canadian dollar. The balance of the AOCI was $11.5 million on December 31, 2015, compared to a balance of $11.5 million as at December 31, 2014.

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 $0.6 million for the fourth quarter of 2015 compared to the foreign exchange loss of $0.5 million for the comparable period in 2014. Foreign exchange losses for the twelve months ended December 31, 2015, were $2.2 million compared to the foreign exchange losses of $1.1 million for the comparable period in 2014. The majority of the foreign exchange losses were due to the USD-denominated debt held by the Company. The table above shows the

change in the Canadian dollar relative to the US dollar from December 31, 2014, to December 31, 2015, and the exchange rate movement for the Canadian dollar relative to the US dollar and RMB as shown above.

Net Loss Attributable to the Company

In thousands Canadian $	3 Months Ended December 31		% Change	Year Ended December 31		% Change
	2015	2014 Restated		2015	2014 Restated	
Net Loss	($11,580)	($20,438)	(43%)	($25,709)	($35,011)	(27%)
% of Revenue	(157%)	(271%)	114%	(85%)	(175%)	91%

For the three months ended December 31, 2015, the Company had a net loss attributable to the Company of $11.6 million, a decrease of $8.8 million or a 43% improvement over the comparable period in 2014 ($20.4 million loss). The decrease in net loss was driven by (1) a decrease in other expenses of $10.1 million, which was offset by (2) an increase in SG&A expenses of $1.2 million and (3) a decrease in income tax recovery of $0.1 million.

For the year ended December 31, 2015, the Company had a net loss attributable to the Company of $25.7 million, a decrease of $9.3 million or an improvement of 27% over the comparable period in 2014 ($35.0 million loss). The decrease in net loss was driven by (1) an increase in gross profit of $3.6 million and (2) a decrease in other expenses of $8.2 million, which were offset by (3) an increase in SG&A expenses of $2.4 million.

Comprehensive Loss

In thousands Canadian $	3 Months Ended December 31		% Change	Year Ended December 31		% Change
	2015	2014 Restated		2015	2014 Restated	
Net Loss	($11,580)	($20,438)	(43%)	($25,709)	($35,011)	(27%)
Other Comprehensive Income (Loss)	($351)	$865	(141%)	$5	$1,148	(100%)
% of Revenue	(5%)	11%	(16%)	0%	6%	(6%)
Total Comprehensive Loss	($11,931)	($19,573)	(39%)	($25,704)	($33,863)	(24%)

The Company recorded total comprehensive loss of $11.9 million for the three months ended December 31, 2015, comprising $11.6 million of net loss attributable to the Company and $0.4 million of other comprehensive loss. The Company recorded total comprehensive loss of $19.6 million for the three months ended December 31, 2014, comprising $20.4 million of net loss attributable to the Company and $0.9 million of other comprehensive income.

The Company recorded a total comprehensive loss of $25.7 million for the year ended December 31, 2015, comprising $25.7 million of net loss attributable to the Company and nil of other comprehensive income. The Company recorded a total comprehensive loss of $33.9 million for the year ended December 31, 2014, comprising $35.0 million of net loss attributable to the Company and $1.1 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	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4 Restated	2014 Q3	2014 Q2	2014 Q1
Revenue	$7,357	$8,808	$8,033	$6,168	$7,535	$3,775	$4,008	$4,663
Gross Profit $	$236	$109	$892	$322	$212	($2,078)	$374	($554)
Gross Profit %	3%	1%	11%	5%	3%	(55%)	9%	(12%)
Net Loss	($11,580)	($5,850)	($3,514)	($4,765)	($20,438)	($6,792)	($2,809)	($4,972)
Gain (loss) from continuing operations	($11,580)	($5,850)	($3,514)	($4,765)	($20,438)	($6,792)	($2,809)	($4,972)
Gain (loss) from discontinued operations	$0	$0	$0	$0	$0	$0	$0	$0
Basic Income (Loss) Per Share	($0.31)	($0.15)	($0.09)	($0.13)	($0.60)	($0.20)	($0.08)	($0.15)
Basic LPS from continuing operations	($0.31)	($0.15)	($0.09)	($0.13)	($0.60)	($0.20)	($0.08)	($0.15)
Basic LPS from discontinued operations	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Diluted Income (Loss) Per Share	($0.31)	($0.15)	($0.09)	($0.13)	($0.60)	($0.20)	($0.08)	($0.15)
Diluted LPS from continuing operations	($0.31)	($0.15)	($0.09)	($0.13)	($0.60)	($0.20)	($0.08)	($0.15)
Diluted LPS from discontinued operations	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

For the three months ended December 31, 2015, the Company had a net loss attributable to the Company of $11.6 million, a decrease of $8.8 million or a 43% improvement over the comparable period in 2014 ($20.4 million loss). The decrease in net loss was driven by (1) a decrease in other expenses of $10.1 million, which was offset by (2) an increase in SG&A expenses of $1.2 million and (3) a decrease in income tax recovery of $0.1 million.

For the three months ended September 30, 2015, the Company had a net loss attributable to the Company of $5.9 million, a decrease of $0.9 million or a 14% improvement over the comparable period in 2014 ($6.8 million loss). The decrease in net loss was driven by (1) an increase in gross profit of $2.2 million which was offset by (2) increased G&A expenses of $0.3 million and (3) an increase in other expenses of $0.9 million.

For the three months ended June 30, 2015, the Company had a net loss attributable to the Company of $3.5 million, an increase of $0.7 million over the comparable period in 2014 ($2.8 million loss). The increase in net loss was driven by (1) increased G&A expenses of $0.3 million and (2) an increase in other expenses of $0.9 million, which was offset by (3) increased gross profit of $0.5 million.

For the three months ended March 31, 2015, the Company had a net loss attributable to the Company of $4.8 million, a decrease of $0.2 million or a 4% improvement over the comparable period in 2014 ($5.0 million loss). The decrease in net loss was driven by (1) an increased gross profit of $0.9 million, which was offset by (2) an increase in G&A expense of $0.6 million and (3) an increase in other expenses of $0.1 million.

For the three months ended December 31, 2014, the Company had a net loss attributable to the Company of $20.4 million, an increase of $17.0 million or a 496% increase over the comparable period in 2013 ($3.4 million loss). The increase in net loss was driven by (1) an increase in other expenses of $13.5 million due to $6.0 million property, plant and equipment impairment, $5.2 million sales tax recoverable impairment, $2.1 million inventory impairment, $0.4 million loss from convertible note conversation, $0.6 million prepaid expenses impairment, $0.5 million in interest expenses, $0.8 million foreign exchange loss, and $0.4 million in other expenses and offset by decreased bad debt expenses of $2.5 million; these impairments were offset by (2) a decrease in gross profit of $1.6 million and a decrease in gain from discontinued operations of $2.0 million, which were offset by (3) a decrease in income tax expense of $0.1 million.

For the three months ended September 30, 2014, the Company had a net loss attributable to the Company of $6.8 million, a decrease of $5.7 million or a 45% improvement over the comparable period in 2013 ($12.5 million loss). The decrease in net loss was driven by (1) a decrease in other expenses of $8.4 million. These decreases in other expenses were offset by (2) a decrease in gross profit of $0.4 million, (3) an increase in G&A expenses of $0.4 million and (4) a decrease in gain from discontinued operations of $1.9 million.

For the three months ended June 30, 2014, the Company had a net loss attributable to the Company of $2.8 million, a decrease of $4.0 million or a 59% improvement over the comparable period in 2013 ($6.8 million loss). The decrease in net loss was driven by: (1) an increase in gross profit of $1.8 million, (2) a decrease in other expenses of $0.5 million, (3) a decrease in SG&A expenses of $1.3 million and (4) a decrease in loss from discontinued operations of $0.4 million.

For the three months ended March 31, 2014, the Company had a net loss attributable to the Company of $5.0 million compared to a net loss of $3.7 million for same period in 2013. The increase of $1.3 million loss was driven by: (1) a decrease in gross profit of $0.2 million, (2) an increase in G&A expenses of $0.3 million and (3) an increase from other expenses of $0.9 million. These items were offset by (4) a decrease in loss from discontinued operations of $0.1 million.

Quarterly Basic and Diluted Loss per Share

The basic loss and diluted loss per share from operations was $0.31 for the three months ended December 31, 2015, compared with a basic and diluted net loss from both continuing and discontinued operations of $0.60 for the same period in 2014. For the three months ended December 31, 2015, the Company had a net loss attributable to the Company of $11.2 million, a decrease of $9.2 million or a 45% improvement over the comparable period in 2014 ($20.4 million loss). The decrease in net loss was driven by (1) a decrease in other expenses of $10.1 million, which was offset by (2) an increase in SG&A expenses of $1.2 million and (3) a decrease in income tax recovery of $0.1 million.

The basic loss and diluted loss per share was $0.15 for the third quarter of 2015 compared with a basic and diluted net loss of $0.20 for the comparable period in 2014. For the three months ended September 30, 2015, the Company had a net loss attributable to the Company of $5.9 million, a decrease of $0.9 million or a 14% improvement over the comparable period in 2014 ($6.8 million loss). The decrease in net loss was driven by (1) an increase in gross profit of $2.2 million, which was offset by (2) increased G&A expenses of $0.3 million and (3) an increase in other expenses of $0.9 million.

The basic loss and diluted loss per share was $0.09 for the second quarter of 2015 compared with a basic and diluted net loss of $0.08 for the comparable period in 2014. For the three months ended September 30, 2015, the Company had a net loss attributable to the Company of $3.5 million, an increase of $0.7 million over the comparable period in 2014 ($2.8 million loss). The increase in net loss was driven by (1) increased G&A expenses of $0.3 million and (2) an increase in other expenses of $0.9 million, which was offset by (3) increased gross profit of $0.5 million.

The basic loss and diluted loss per share was $0.13 for the first quarter of 2015 compared with a basic and diluted net loss of $0.15 for the comparable period in 2014. For the three months ended March 31, 2015, the Company had a net loss attributable to the Company of $4.8 million, a decrease of $0.2 million over the comparable period in 2014 ($5.0 million loss). The decrease in net loss was driven by (1) an increased gross profit of $0.9 million, which was offset by (2) an increase in G&A expense of $0.6 million and (3) an increase in other expenses of $0.1 million.

The basic loss and diluted loss per share from operations was $0.60 for the three months ended December 31, 2014, compared with a basic and diluted net loss from both continuing and discontinued operations of $0.10 for the same period in 2013. For the three months ended December 31, 2014, the Company had a net loss attributable to the Company of $20.4 million, an increase of $17.0 million or a 495% increase over the comparable period in 2013 ($3.4 million loss). The increase in net loss was driven by (1) an increase in other expenses of $13.5 million, (2) a decrease in gross profit of $1.6 million and (3) a decrease in gain from discontinued operations of $2.0 million, offset by (4) a decrease in income tax expense of $0.1 million.

The basic loss and diluted loss per share from operations was $0.20 for the third quarter of 2014 compared with a basic and diluted net loss from both continuing and discontinued operations of $0.37 for the same period in 2013. For the three months ended September 30, 2014, the Company had a net loss attributable to the Company of $6.8 million, a decrease of $5.7 million or a 45% improvement over the comparable period in 2013 ($12.5 million loss). The decrease in net loss was driven by (1) a decrease in other expenses of $8.4 million. This decrease in other expenses was offset by (2) a decrease in gross profit of $0.4 million, (3) an increase in G&A expenses of $0.4 million and (4) a decrease in gain from discontinued operations of $1.9 million.

The basic loss and diluted loss per share from operations was $0.08 for the second quarter of 2014 compared with a basic and diluted net loss from both continuing and discontinued operations of $0.20 for the same period in 2013. For the three months ended September 30, 2014, the Company had a net loss attributable to the Company of $2.8 million, a decrease of $4.0 million or a 59% improvement over the comparable period in 2013 ($6.8 million loss). The decrease in net loss was driven by: (1) an increase in gross profit of $1.8 million, (2) a decrease in other expenses of $0.5 million, (3) a decrease in SG&A expenses of $1.3 million and (4) a decrease in loss from discontinued operations of $0.4 million.

The basic loss and diluted loss per share from operations was $0.15 for the first quarter of 2014 compared with a basic and diluted net loss from both continuing and discontinued operations of $0.11 for the same period in 2013. For the three months ended September 30, 2014, the Company had a net loss attributable to the Company of $5.0 million compared to a net loss of $3.7 million for same period in 2013. The increase of $1.3 million loss was driven by: (1) a decrease in gross profit of $0.2 million, (2) an increase in G&A expenses of $0.3 million and (3) an increase from other expenses of $0.9 million. These items were offset by (4) a decrease in loss from discontinued operations of $0.1 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 2015 and idle capacity charges have a material impact on the gross profit (loss) line in the financial statements.

Gross Profit (Loss) before capacity charges for the three months ended December 31, 2015, was $1.0 million or 14% of fourth quarter revenues compared to $0.4 million or 5% of fourth quarter revenues in 2014. Gross Profit (Loss) before capacity charges improved from the comparable period due to higher international sales (86% of Q4 2015 sales compared to 25% in 2014) and higher margin products sold to international customers (stevia, monk fruit and GLG Naturals+ product line) compared to a majority of sales (75%) to China based customers of lower margin and lower purity stevia products sold during the quarter in the prior period.

Gross Margin before capacity charges for the year ended December 31, 2015, was $3.4 million or 11% of 2015 revenues, compared to negative $0.1 million or negative 1% of 2014 revenues. Gross Margin before capacity charges increased from the comparable period due to higher international sales (88% of 2015 sales compared to 42% in 2014) and higher margin products sold to international customers (stevia, monk fruit and GLG Naturals+ product line) compared to a majority of sales to China based customers of lower margin and lower purity stevia products.

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

In thousands Canadian $	3 Months Ended December 31		% Change	Year Ended December 31		% Change
	2015	2014 Restated		2015	2014 Restated	
Loss Before Income Taxes and Non-Controlling Interests	($11,580)	($20,524)	(44%)	($25,709)	($35,063)	(27%)
Add:						
Provisions for inventories impairment	$1,595	$1,650	(3%)	$1,794	$1,650	9%
Provisions for receivables	$1,066	$392	172%	$712	$95	648%
Provisions for PPE impairment	$1,911	$5,969	(68%)	$1,911	$5,969	(68%)
Provision for prepaids	($99)	$591	(117%)	($108)	$945	(111%)
Provision for sales taxes recoverable	($1,147)	$5,212	(122%)	($2,702)	$5,212	(152%)
Loss provision on the amendment of the convertible note	$0	$443	0%	$0	$443	0%
Loss on disposal of property, plant & equipment	$0	$0	0%	$0	$0	0%
Net Interest Expense	$3,290	$2,431	35%	$10,871	$7,848	39%
Depreciation and Amortization	$2,057	$2,272	(9%)	$6,333	$5,711	11%
Provision for tax penalty	$621	$360	73%	$621	$360	73%
Foreign Exchange Loss	$579	$519	12%	$2,241	$1,101	103%
Non-Cash Share Compensation	$277	$335	(18%)	$1,257	$1,607	(22%)
EBITDA	($1,431)	($350)	308%	($2,781)	($4,121)	(33%)
EBITDA as a % of revenue	(19%)	(5%)	(15%)	(9%)	(21%)	11%

EBITDA for the three months ended December 31, 2015, was negative $1.4 million or negative 19% of revenues, compared to negative $0.4 million or negative 5% of revenues for the same period in 2014. EBITDA declined by 14 percentage points for the three-month period ended December 31, 2015. The decrease in EBITDA for the quarter is primarily attributable to a one-time increase in consulting fees of $1.0 million.

EBITDA for the year ended December 31, 2015, was negative $2.8 million or negative 9% of revenues compared to negative $4.1 million or negative 21% of revenues for 2014. EBITDA margin improved by 12 percentage points in 2015, which was driven by the positive change in product mix sold during the year ended December 31, 2015, compared to the prior period, with the increased sales to international customers with higher gross profit realized in 2015.

Liquidity and Capital Resources

In thousands Canadian $	31-Dec-15	31-Dec-14
Cash and Cash Equivalents	$ 2,327	$ 1,141
Working Capital	$ (92,079)	$ (67,351)
Total Assets	$ 76,027	$ 71,903
Total Liabilities	$ 142,249	$ 113,676
Loan Payable (<1 year)	$ 73,656	$ 62,501
Loan Payable (>1 year)	$ 30,320	$ 25,063
Total Equity	$ (66,221)	$ (41,773)

The Company continues to progress with the following measures to manage cash flow of the Company: paying down short-term loans, 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 $104.0 million as of December 31, 2015, an increase of $16.5 million compared to the previous year ($87.5 million). The increase in loans was primarily driven by the appreciation of the RMB against the Canadian dollar ($12.6 million) and loans for additional working capital required to purchase raw material ($3.8 million in additional loans / accrued interest as of December 31, 2015).

The Company continued to work with its Chinese banks on restructuring its Chinese debt in 2015. During 2015, the Construction Bank of China successfully transferred GLG's debt to China Cinda Assets Management Co. and the Agricultural Bank of China successfully transferred GLG's debt to China Hua Rong Assets Management Co., each of which is a state-owned capital management company ("SOCMC"). The total of all China bank loans transferred to SOCMC's now account 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 is still in discussions with these SOCMCs as to final terms – including interest rate and term of the debt – for the transferred debt. Until such terms are confirmed in a formal agreement, the terms of the original loan are represented in the financial statements.

The Company's main initiative to improve its negative working capital position is a potential debt restructuring involving the State Owned Capital Management Companies and China Banks where the Company's operating subsidiaries owe $70,009,287 in short-term debt. The Company is developing a plan to either restructure this short-term debt to longer-term debt, or potentially convert all or a portion of this short-term debt into equity of the Company's Chinese operating subsidiaries (see also section on Short-term and Long-term Loans) or sell some of its idle facilities to repay loans.

The Company continues to be able to negotiate loans with its Directors and related family members to assist with short-term working capital requirements. The Company's increase in sales in 2015 has significantly improved the cash from sales. For example, for the twelve-month period ending December 31, 2015, relative to the comparable 2014 period, the gross profits improved by $3.6 million whereas SG&A expenses increased by $2.4 million.

Cash Flows: Three Months Ended December 31, 2015 and 2014

Cash generated in operating activities was $3.9 million in the three-month period ended December 31, 2015, compared to $5.9 million used by operating activities in the same period of 2014. Cash generated in operating activities increased by $9.8 million year-over-year. This was the result of (1) cash used in operations prior to changes in non-cash working capital being $4.3 million higher than the same period last year and (2) cash generated by non-cash working capital being $5.5 million higher than the same period last year. The $5.5 million higher cash generated by non-cash working capital in the three months ended December 31, 2015, compared to the comparative 2014 period, was due to a net increase in cash generated by accounts receivables of $2.3 million, a net increase in cash generated by prepaid expenses of $2.1 million, a reduction of cash used in inventory of $2.2 million and sales tax recoverable of $0.9 million, and an increase in cash from accounts payable and other payables of $0.4 million, which were offset by a net increase of cash used in interest payable of $2.5 million.

Cash used by investing activities was $0.1 million during the fourth quarter of 2015 related to additional plant modifications at one facility to process monk fruit extract ($0.2 million) and the net redemption of short-term investments ($0.1 million), compared to cash used by investing activities of $0.8 million in the same period in 2014 (short-term investments and investments in plant assets for the monk fruit business).

Cash generated from financing activities was $1.8 million in the fourth quarter of 2015 compared to cash generated from financing of $4.5 million in the same period in 2014. The $2.7 million decrease of cash generated from financing was primarily driven by a decrease in financing from long-term loans of $1.2 million, the net decrease in financing from related party loans of $1.8 million, and an increase in interest paid of $0.2 million, which was offset by the net decrease in repayments of short-term loans of $0.5 million.

Cash Flows: Year Ended December 31, 2015 and 2014

Cash flow generated in operating activities was $5.6 million in the year December 31, 2015, compared to $5.2 million used by operating activities in the same period of 2014. Cash generated from operating activities increased by $10.8 million year-over-year. This was the result of cash used in operations prior to changes in non-cash working capital being $4.3 million lower than the same period last year, which was offset by cash generated from non-cash working capital being $6.5 million higher in the current period compared to the same period in 2014. The $6.5 million higher cash generated from non-cash working capital for the year ended December 31, 2015, compared to the comparative 2014 period, was due to cash generated by a reduction in cash used by prepaid expenses of $0.7 million, a reduction of cash used in inventory of $2.6 million, a reduction of cash used in sales tax recoverable of $1.3 million, an increase of interest payable of $1.1 million, and an increase of accounts payable and other payables of $1.6 million; these were offset by an increase in cash used by accounts receivables $0.8 million.

Cash used by investing activities was $1.2 million in 2015 primarily related to additional plant modifications at one facility to process monk fruit extract and payment of previous capital expenditure related accounts payable compared to cash used by investing activities of $2.0 million in 2014.

Cash used in financing activities was $0.8 million in 2015, compared to cash generated from financing activities of $3.9 million in 2014. The increase of cash used in financing of $4.7 million was driven by the net decrease in cash from long-term loans of $1.1 million, the net decrease in financing from related party loans of $5.4 million, the net increase in interest paid of $0.2 million, which were offset by the net decrease in repayments of short-term loans of $2.0 million.

Selected Annual Information

In thousands Canadian $, except for EPS	2015	2014 Restated	2013
	Year Ended December 31		
Gross Revenue	$30,365	$19,982	$16,022
Net Income (Loss) from continuing operations	($25,709)	($35,011)	($29,808)
Net Income (Loss)	($25,709)	($35,011)	($26,430)
Total Assets	$76,027	$71,903	$87,796
Non-current financial liabilities	$30,526	$25,144	$38,893
Loss per share from continuing operations			
Basic and diluted	($0.68)	($1.02)	($0.89)
Diluted	($0.68)	($1.02)	($0.79)

Revenues continued to increase in 2015 with a growth rate of 52% over 2014 sales. Compared to 2013 ($16.0 million in revenues), revenues in 2015 have increased 90%. This accomplishment is reflective of the Company's increase in its international sales, its introduction of monk fruit extracts in 2015, and realizing its first revenue streams from its GLG Naturals+ product line.

The Company has incurred significant losses for the past three years. In 2013, the major drivers of the loss were related to write-downs on stevia inventories due to a supply surplus of stevia extracts in the international marketplace for the years 2012-2014. The Company also had significant operating charges related to its idle facilities during the past three years, at approximately $1.9 million per year. To address the idle capacity issue, the Company has sought to increase its market share in the international stevia market and introduced monk fruit in 2014, which can be produced using the same facilities.

In 2014, the Company incurred significant impairments related to recoverable sales taxes and prepaid expenses in China ($6.2 million), Plant, Property and Equipment ($6.0 million) related to its ion resin equipment and inventory impairments due to obsolescence ($1.7 million).

In 2015, the Company recorded impairment expenses of $1.9 million related to Plant, Property and Equipment related to its idle facilities and its ion resin equipment, and $1.8 million related to inventory obsolescence; these were offset by reductions in sales taxes recovery of $2.7 million.

The market for stevia from the start of the fourth quarter of 2014 has significantly improved since the supply surplus for stevia has been depleted from the market. Market prices for stevia extracts increased for the first time in two years and have stabilized in 2015. The issue of declining sales in 2012-2013 and the surplus of stevia in the marketplace resulted in a decline in total assets for the years 2012, 2013 and 2014 as inventories were drawn down, and further impairment charges were also taken on obsolete inventory, plant, property and equipment and sales taxes recoverable in China.

During the year ended December 31, 2013 and 2014, non-current financial liabilities decreased as the Company reclassified $21.0 million long-term bank loan to short-term loan. During these years the Company refinanced short-term bank debt and obtained longer term funding from the Company's Chairman and CEO and other related parties.

Financial Resources

Cash and cash equivalents increased by $1.2 million during the year ended December 31, 2015, from December 31, 2014. Working capital declined by $24.7 million from the year-end 2014 position to negative $92.1 million. The working capital decrease can be attributed to (1) a decrease in current assets ($1.6 million), (2) an increase

in interest payable ($8.1 million), (3) an increase in accounts payable ($3.9 million), (4) an increase in short-term loans ($8.5 million), and (5) an increase in due to related parties ($2.6 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, 2015, in comparison to December 31, 2014, the total assets increased by $4.1 million. This increase was split between a decrease in current assets of $1.6 million and an increase in fixed assets of $5.7 million.

The decrease in the current assets was driven by decreases in (1) prepaid expenses ($0.6 million), (2) inventory ($4.1 million) and (3) short-term investments ($0.2 million), which were offset by increases in (4) cash and cash equivalents ($1.4 million), (5) taxes recoverable ($1.2 million) and (6) accounts receivable ($0.7 million).

The net increase in the fixed assets of $5.7 million was due primarily to (1) an appreciation of the RMB against the Canadian dollar ($12.0 million) and (2) capital additions ($1.0 million) related to the Company's monk fruit production line during the year ended December 31, 2015, which were offset by (3) amortization ($5.4 million) and (4) impairment ($1.9 million).

Current liabilities increased by $23.2 million as at December 31, 2015, in comparison to December 31, 2014, and was driven by (1) an appreciation of the RMB against the Canadian dollar ($14.3 million), (2) an increase in interest payable ($6.7 million), (3) an increase in accounts payable ($2.0 million), and (4) an increase in due to related parties ($0.4 million), which were offset by bank loan repayments ($0.1 million).

The increase in long-term liabilities of $5.4 million was driven by (1) an increase from appreciation of the USD to the Canadian dollar ($1.9 million), (2) an increase in loans and accrued interest from related parties ($3.4 million) and (3) an increase in liabilities on derivatives ($0.1 million).

The Company has been working on improving its working capital deficiency situation, which was driven by the impairments to inventory, accounts receivable, sales taxes recoverable and prepaid expenses over the years 2011, 2012, 2013, 2014 and 2015 (these impairments totaled approximately $63 million as of December 31, 2015). The Company has renewed a loan with one of its Directors to assist in the financing of the Company, and has raised new loans with both additional related parties during the year ($0.6 million as of December 31, 2015) for working capital purposes.

Shareholders' equity decreased by $24.4 million due to an increase in deficit of $25.7 million, which was offset by an increase in common stock of $1.3 million from the vesting of restricted shares and stock options.

Short-Term and Long-Term Loans

The Company's short-term loans consisted of borrowings from various banks in China as follows:

Bank Loan as at December 31, 2015

	Loan amount in CAD	Loan amount in RMB	Maturity Date	Interest rate per annum	Lender
	$ 639,304	3,000,000	On Demand	7.71%	China Huarong Assets Management Shandong Branch
	5,966,841	28,000,000	On Demand	7.71%	China Huarong Assets Management Shandong Branch
	2,131,015	10,000,000	On Demand	7.13%	China Huarong Assets Management Shandong Branch
	2,084,132	9,780,000	On Demand	7.13%	China Huarong Assets Management Shandong Branch
	10,990,090	51,572,096	On Demand	6.48%	China Huarong Assets Management Shandong Branch
	17,048,118	80,000,000	On Demand	6.48%	China Huarong Assets Management Shandong Branch
	16,874,410	79,184,858	On Demand	11.97%	Bank of Communication
	3,720,214	17,457,477	On Demand	9.24%	China Cinda Assets Management Jiangsu Branch
	9,062	42,523	On Demand	8.83%	China Cinda Assets Management Jiangsu Branch
	1,491,710	7,000,000	July 1, 2016	5.82%	Huishang Bank
	6,393,044	30,000,000	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
	2,661,430	12,489,025	On Demand	9.09%	China Cinda Assets Management Jiangsu Branch
Short-term	$ 70,009,287	328,525,978			

Short-term	$ 70,009,287	328,525,978
Long-term	$ -	-

Bank Loans as at December 31, 2014:

	Loan amount in CAD	Loan amount in RMB	Maturity Date	Interest rate per annum	Lender
	$ 560,695	3,000,000	On Demand	7.71%	China Huarong Assets Management Shandong Branch
	5,233,156	28,000,000	On Demand	7.71%	China Huarong Assets Management Shandong Branch
	1,868,984	10,000,000	On Demand	7.13%	China Huarong Assets Management Shandong Branch
	1,827,867	9,780,000	On Demand	7.13%	China Huarong Assets Management Shandong Branch
	9,638,743	51,572,096	On Demand	6.48%	China Huarong Assets Management Shandong Branch
	14,951,874	80,000,000	On Demand	6.48%	China Huarong Assets Management Shandong Branch
	14,799,525	79,184,858	On Demand	11.97%	Bank of Communication
	3,356,224	17,957,477	On Demand	9.24%	Bank of China
	7,948	42,523	On Demand	9.24%	Bank of China
	1,308,289	7,000,000	July 1, 2015	7.20%	Huishang Bank
	5,606,953	30,000,000	On Demand	12.12%	Construction Bank of China
	2,334,179	12,489,025	On Demand	9.09%	Construction Bank of China
Short-term	$ 61,494,436	329,025,979			

Short-term	$ 61,494,436	329,025,979
Long-term	$ -	-

The Company continued to work with its Chinese banks on restructuring its Chinese debt in 2015. During 2015, the Construction Bank of China successfully transferred GLG's debt to China Cinda Assets Management Co. and the Agricultural Bank of China successfully transferred GLG's debt to China Hua Rong Assets Management Co., each of which is a state-owned capital management company ("SOCMC"). The total of all China bank loans transferred to SOCMC's now account 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 is still in discussions with these SOCMCs as to final terms – including interest rate and term of the debt – for the transferred debt. Until such terms are confirmed in a formal agreement, the terms of the original loan 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, 10).

Long-term Borrowing from Private Lenders:

December 31, 2013	$	666,241
Additions		1,344,724
Repayments		-
December 31, 2014	$	2,010,965
Additions		1,284,948
Repayments		(1,210,365)
Foreign currency translation		321,720
December 31, 2015	$	2,407,268

This loan balance consists of two loans.

The first loan principal and accrued interest amount as of December 31, 2015, is $1,200,118 and bears interest at 11.50% per annum. The loan will be payable on October 31, 2017 and does not have any attached covenants.

The second loan principal and accrued interest amount as of December 31, 2015, is $1,647,834 and bear interest at 20% per annum. The loan will be payable on October 31, 2017 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. This option results in a liability of $10,711 (2014 - $3,793), 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:

	2015	2014
Risk free interest	1.06%	1.03%
Expected life of the loan	3 years	3 years
Expected foreign currency volalitity	3.73%	3.71%

Financial and Other Instruments

Fair Value

As at December 31, 2015, and December 31, 2014, the recorded amounts for cash and cash equivalents are at fair value.

As at December 31, 2015, and December 31, 2014, accounts receivable, accounts payable and accrued liabilities, short-term loans, interest payable, advances from customers, long-term loans, convertible notes and amount due to related parties, less provision for impairment if applicable, approximate their fair values due to the short-term nature of these instruments.

Financial Risk Management

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 the related exposures are consistent with its business objectives and risk tolerance.

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 cash equivalents, short-term investments and accounts receivable. The Company has a high concentration of credit risk as the accounts receivable were owed by two major customers that make up 80% 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		**2015**		**2014**
Opening balance	$	3,053,135	$	2,949,445
Increase (decrease) in AFDA		1,357,584		103,690
Ending Balance	$	4,410,719	$	3,053,135

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 25. 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, 2015 and 2014:

	December 31, 2015		December 31, 2014	
Financial liabilities	**0 to 12 months**	**12 to 24 months**	**0 to 12 months**	**12 to 24 months**
Accounts payable and accrued liabilities	$ 21,507,819	-	$ 17,590,842	-
Short-term loans	70,009,287	-	61,494,436	-
Long-term loans	-	2,407,268	-	-
Interest payable	16,129,913	-	8,439,711	-
Due to related parties	3,646,595	-	1,006,575	-
	$ 111,293,614	2,407,268	$ 88,531,564	-

Market risk

Market risk is the risk that changes in market prices, such as fluctuations in the market prices of the Company's publicly traded investments, 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.

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 investments, short-term loans and amounts due to related parties at December 31, 2015. The interest rates on these financial instruments fluctuate based on the bank prime rate. As at December 31, 2015, with other variables unchanged, a 100-basis point change in the bank prime rate would have a net effect of approximately $1,016,495 (December 31, 2014 - $864,228) on profit or loss.

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, 2015				
		RMB balance		HK balance		US balance
Total financial assets	¥	494,582,313	HK$	323	$	615,771
Total financial liabilities		(542,215,460)		-		(744,796)
Net foreign exchange risk exposure	¥	(47,633,147)	HK$	323	$	(129,025)
		December 31, 2014				
		RMB balance		HK balance		US balance
Total financial assets	¥	579,347,826	HK$	27	$	740,951
Total financial liabilities		(527,320,737)		-		(750,900)
Net foreign exchange risk exposure	¥	52,027,089	HK$	727	$	(9,949)

As of December 31, 2015, 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 $103,291 (2014 - $85,577).

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, 2015	December 31, 2014
	US$	US$
Financial assets		
Cash and cash equivalents	804,349	467,073
Accounts receivable	2,084,410	978,003
Financial liabilities		
Accounts payable and accruals	(5,147,730)	(28,780)
Interest payable	(325,661)	(27,282)
Short-term loan	-	-
Long-term loan	(1,739,251)	(1,733,452)
Due to related party	(17,770,003)	(19,871,102)
Net foreign exchange risk exposure	**(22,093,885)**	**(20,215,540)**

As of December 31, 2015, assuming that all other variables remain constant, an increase of 10% in the Canadian dollar against the US dollar would have an effect on net income of approximately $3,057,977 (2014 - $2,345,190).

Contractual Obligations

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 expire on December 31, 2016, and will each be renewed for another five-year term. The annual minimum lease payments are approximately $101,000 (RMB 500,000).

The Company signed a 20 years land rental agreement in Qingdao. The agreement was signed on Feb 16, 2005 and expires on Feb 16, 2025. The terms are as follows:

- In the first 5 years the rent expense is approximately $2,000 (RMB 10,000) per year
- In the second 5 years the rent expense is approximately $2,300 (RMB 11,680) per year
- In the third 5 years the rent expense is approximately $2,700 (RMB 13,642) per year (the Company is currently at this rate)
- In the fourth 5 years the rent expense is $3,200 (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 $5,800 (RMB 28,576).

The Company entered into a thirty-year agreement with the Dongtai City Municipal Government in 2008, located in the Jiangsu Province of China, for approximately 50 acres of land for its seed base operation. The agreement has been terminated in September 2015 because of local government requisition.

The Company's current office premises are leased under a five-year agreement beginning June 1, 2011, and will expire on May 31, 2016. The lease payments for the year ended December 31, 2015, totals $164,586 (2014 – $161,811).

The Company has entered into an eight-year agreement for office premises beginning August 1, 2016; it will expire on July 31, 2024. The annual minimum of the new lease payments is approximately $128,040.

The minimum cash payments related to the above are summarized below:		Amount
2016	$	328,139
2017		309,030
2018		309,030
2019		341,040
Thereafter		1,030,310
Total	$	2,317,549

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 $63,816,000 (US$60,000,000) over the course of the twenty-year agreement to retain its exclusive rights. As of December 31, 2015, 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.

Capital Structure

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

	31-Dec-15	31-Dec-14
Common Shares Issued	37,890,336	37,908,336
Reserved For Issuance	-	-
Warrants	-	1,154,494
Stock Options	3,966,983	3,515,699
Total Reserved For Issuance	3,966,983	4,670,193
Fully Diluted Shares	41,857,319	42,578,529

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements.

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:

		2015		2014
Short-term employee benefits (including salaries, bonuses, fees and social security benefits)	$	1,012,624	$	899,850
Share-based benefits	$	1,161,300	$	1,510,531
Total remuneration	$	2,173,924	$	2,410,381

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 $1,700,000.

Key management did not exercise stock options granted under the Company's stock option plan in the 2015 and 2014 fiscal years.

Amount Due to Related Parties

As of December 31, 2015, the Company has accrued $1,811,886 (2014 - $1,429,074) in consulting fees to the Company's Chairman and Chief Executive Officer.

As of December 31, 2015, the Company has obtained loans under numerous credit facility agreements starting from April 2012 to November 2013 from the Company's Chairman and Chief Executive Officer that, along with accrued interest, total $24,595,160 (2014 - $18,901,926). The loan proceeds were used for corporate working capital purposes. Amended agreements specify that the loans are repayable within 72 months of the date of borrowing.

As of December 31, 2015, the Company has obtained a loan from a direct family member of the Company's Chairman and Chief Executive Officer that, along with accrued interest, totals $6,159,251 (2014 - $4,150,397) in order to provide working capital required for monk fruit extracts. The loan is secured by expected proceeds from monk fruit sales, bearing interest at 20% per annum and repayable within 6 months to 36 months of the loan date, depending on the debt facility agreement.

The combined total of the above loans, including the accrued interest, is $30,754,411 (2014 - $23,052,323) of which $2,841,335 in current liabilities. 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.

These loans provide a repayment option to the lenders in either RMB or USD using a fixed foreign exchange rate of 6.1234. This option results in a liability of $195,206 (2014 - $77,372), 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 13.

Loan balance as of December 31, 2015

	Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
	$ 9,996,730	April 27, 2012	April 27, 2018	Unsecured	Category 1	Chairman and CEO
	2,159,129	October 11, 2012	October 11, 2018	Unsecured	Category 1	Chairman and CEO
	3,085,979	May 30, 2013	May 30, 2018	Unsecured	Category 2	Chairman and CEO
	346,021	November 15, 2013	November 15, 2018	Unsecured	Category 1	Chairman and CEO
	4,823,840	October 20, 2014	October 20, 2017	Unsecured	Category 3	Direct family member of CEO
	2,727,681	October 15, 2015	April 15, 2016	Unsecured	Category 3	Direct family member of CEO
	$ 23,139,380					
Payments	**(757,863)**	April 27, 2012	April 27, 2018	Unsecured	Category 1	Chairman and CEO
	(2,246,104)	October 20, 2014	October 20, 2017	Unsecured	Category 3	Direct family member of CEO
Principal amounts	**$ 20,135,413**					
Accrued interest	**10,618,998**					
	$ 30,754,411					

Loan balance as of December 31, 2014

	Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
	$ 8,076,235	April 27, 2012	April 27, 2018	Unsecured	Category 1	Chairman and CEO
	1,812,938	October 11, 2012	October 11, 2018	Unsecured	Category 1	Chairman and CEO
	3,324,117	May 30, 2013	May 30, 2018	Unsecured	Category 2	Chairman and CEO
	290,023	November 15, 2013	November 15, 2018	Unsecured	Category 1	Chairman and CEO
	4,024,942	October 20, 2014	October 20, 2017	Unsecured	Category 3	Direct family member of CEO
Principal amounts	**$ 17,528,255**					
Accrued interests	**5,524,068**					
	$ 23,052,323					

Category 1: China 10 year benchmark government bond rate plus 1100 basis points

Category 2: US 10 year benchmark government bond rate plus 1100 basis points for loans issued in USD or China 10 year benchmark government bond rate plus 1100 basis points for loans issued in RMB

Category 3: 20%

As of December 31, 2015, the Company has renewed a loan of $800,000 from a Director of the Company 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, 2015, the total amount due to this related party including interest was $805,260 (2014 - $1,006,575) and is classified under current liabilities.

Loan balance as of December 31, 2015

	Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
Principal amounts	$ 800,000	September 15, 2015	September 15, 2016	Unsecured	15.00%	Director
Accrued interests	$ 5,260					
	$ 805,260					

Loan balance as of 12/31/2014

	Loan amount in CAD	Date of the Loan Agreement	Maturity Date	Security	Interest rate per annum	Related Parties
Principal amounts	$ 1,000,000	September 15, 2014	September 15, 2015	Unsecured	15.00%	Director
Accrued interests	$ 6,575					
	$ 1,006,575					

Warrants

In connection to the loans from the Company's Chairman and Chief Executive Officer, 100 common share purchase warrants for every US$1,000 equivalent borrowed were granted to the lender at the exercise price of $1.00 per warrant for a period of 24 months following the offering closing date. As of December 31, 2015, the purchase warrants expired unexercised.

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, 2015, 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, 2015. 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, 2015, 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).