

FORM: Half yearly report

Name of issuer

JINCHI BIOTECH LTD

ACN or ARBN

602 837 267

Half yearly
(tick)

✓

Preliminary
final (tick)

Half year/financial year ended
('Current period')

30 JUNE 2015

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

Extracts from this statement for announcement to the market (see note 1).

				Euro €
Revenue (item 1.1)	down	77%	to	84,653
Loss for the period (item 1.9)	up	210%	to	(245,241)
loss for the period attributable to members of the parent (item 1.11)	up	210%	to	(245,241)
Dividends		Current period		Previous corresponding period
Franking rate applicable:		N/A		N/A
Final dividend (preliminary final report only)(item 10.13-10.14)		N/A		N/A
Amount per security				
Franked amount per security				
Interim dividend (Half yearly report only) (item 10.11 – 10.12)		N/A		N/A
Amount per security				
Franked amount per security				
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
N/A				

Consolidated income statement *(The figures are not equity accounted)**(see note 3)**(as per paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)***Refer to attached financial statements**

	Current period - \$US'000	Previous corresponding period - \$US'000
1.1 Revenues <i>(item 7.1)</i>		
1.2 Expenses, excluding finance costs <i>(item 7.2)</i>		
1.3 Finance costs		
1.4 Share of net profits (losses) of associates and joint ventures <i>(item 15.7)</i>		
1.5 Profit (loss) before income tax		
1.6 Income tax expense <i>(see note 4)</i>		
1.7 Profit (loss) from continuing operations		
1.8 Profit (loss) from discontinued operations <i>(item 13.3)</i>		
1.9 Profit (loss) for the period		
1.10 Profit (loss) attributable to minority interests		
1.11 Profit (loss) attributable to members of the parent		
1.12 Basic earnings per security <i>(item 9.1)</i>		
1.13 Diluted earnings per security <i>(item 9.1)</i>		
1.14 Dividends per security <i>(item 9.1)</i>		

Comparison of half-year profits*(Preliminary final statement only)*

	Current period - Euro €	Previous corresponding period - Euro €
2.1 Consolidated loss after tax attributable to members reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>	(245,241)	(79,075)
2.2 Consolidated profit (loss) after tax attributable to members for the 2nd half year	N/A	N/A

Consolidated balance sheet

(See note 5)

Refer to attached financial statements

(as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

Current assets		Current period - \$US'000	Previous corresponding period - \$US'000
3.1	Cash and cash equivalents		
3.2	Trade and other receivables		
3.3	Inventories		
3.4	Other current assets (provide details if material)		
3.5	Total current assets		
Non-current assets			
3.6	Available for sale investments		
3.7	Other financial assets		
3.8	Investments in associates		
3.9	Deferred tax assets		
3.10	Exploration and evaluation expenditure capitalised (see para 71 of AASB 1022 – new standard not yet finalised)		
3.11	Development properties (mining entities)		
3.12	Property, plant and equipment (net)		
3.13	Investment properties		
3.14	Goodwill		
3.15	Other intangible assets		
3.16	Other (provide details if material)		
3.17	Total non-current assets		
3.18	Total assets		
Current liabilities			
3.19	Trade and other payables		
3.20	Short term borrowings		
3.21	Current tax payable		
3.22	Short term provisions		
3.23	Current portion of long term borrowings		
3.24	Other current liabilities (provide details if material)		
3.25	Liabilities directly associated with non-current assets classified as held for sale (para 38 of		

AASB 5)

3.26	Total current liabilities		
	Non-current liabilities		
		Current period - \$US'000	Previous corresponding period - \$US'000
3.27	Long-term borrowings		
3.28	Deferred tax liabilities		
3.29	Long term provisions		
3.30	Other (provide details if material)		
3.31	Total non-current liabilities		
3.32	Total liabilities		
3.33	Net assets		
	Equity		
3.34	Share capital		
3.35	Other reserves		
3.36	Retained earnings		
	Amounts recognised directly in equity relating to non-current assets classified as held for sale		
3.37	Parent interest		
3.38	Minority interest		
3.39	Total equity		

Consolidated statement of changes in equity

Refer to attached financial statements

(as per paragraphs 96-97 of AASB 101: Presentation of Financial Statements)

		Current period – US\$'000	Previous corresponding period – US\$'000
Revenues recognised directly in equity:			
Expenses recognised directly in equity:			
4.1	Net income recognised directly in equity		
4.2	Profit for the period		
4.3	Total recognised income and expense for the period		
Attributable to:			
4.4	Members of the parent		
4.5	Minority interest		
Effect of changes in accounting policy (as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors):			
4.6	Members of the parent entity		
4.7	Minority interest		

Consolidated statement of cash flows*(See note 6)**(as per AASB 107: Cash Flow Statements)***Refer to attached financial statements**

		Current period - \$US'000	Previous corresponding period - \$US'000
	Cash flows related to operating activities		
5.1	Receipts from customers		
5.2	Payments to suppliers and employees		
5.3	Interest and other costs of finance paid		
5.4	Income taxes paid		
5.5	Other (provide details if material)		
5.6	Net cash used in operating activities		
	Cash flows related to investing activities		
5.7	Payments for purchases of property, plant and equipment		
5.8	Proceeds from sale of property, plant and equipment		
5.9	Payment for purchases of equity investments		
5.10	Proceeds from sale of equity investments		
5.11	Loans to other entities		
5.12	Loans repaid by other entities		
5.13	Interest and other items of similar nature received		
5.14	Dividends received		
5.15	Other (provide details if material)		
5.16	Net cash used in investing activities		
	Cash flows related to financing activities		
5.17	Proceeds from issues of securities (shares, options, etc.)		
5.18	Proceeds from borrowings		
5.19	Repayment of borrowings		
5.20	Dividends paid		
5.21	Other (provide details if material)		
5.22	Net cash used in financing activities		
	Net increase (decrease) in cash and cash equivalents		
5.23	Cash at beginning of period (see <i>Reconciliations of cash</i>)		
5.24	Exchange rate adjustments to item 5.23		
5.25	Cash at end of period (see <i>Reconciliation of cash</i>)		

Reconciliation of cash provided by operating activities to profit or loss

(as per paragraph Aus20.1 of AASB 107: Cash Flow Statements)

Refer to attached financial statements

		Current period \$US'000	Previous corresponding period \$US'000
6.1	Profit (item 1.9)		
	Adjustments for:		
6.2			
6.3			
6.4			
6.5	Increase/decrease in		
6.6	Increase/decrease in		
6.7	Increase/decrease in		
6.8	Increase/decrease in		
6.9	Increase/decrease in		
6.10	Net cash from operating activities (item 5.6)		

Notes to the financial statements

Details of revenues and expenses

Refer to attached financial statements

(see note 16)

(Where items of income and expense are material, disclose nature and amount below in accordance with paragraphs 86-87 of AASB 101: Presentation of Financial Statements)

	Current period - \$US'000	Previous corresponding period - \$US'000
Revenue		
7.1 Total Revenue		
Expenses		
7.2 Total Expenses		
Profit (loss) before tax		

Ratios

	Current period	Previous corresponding period
Profit before tax / revenue		
8.1 Consolidated loss before tax (item 1.5) as a percentage of revenue (item 1.1)	(290%)	(21%)
Profit after tax / equity interests	(13%)	(4%)
8.2 Consolidated loss after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 3.37)		

Earnings per Security

Refer to attached financial statements

- 9.1 Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:

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Dividends

N/A

- 10.1 Date the dividend is payable
- 10.2 Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)
- 10.3 If it is a final dividend, has it been declared?
(Preliminary final report only)
- 10.4 The dividend or distribution plans shown below are in operation.

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N/A

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The last date(s) for receipt of election notices to the dividend or distribution plans

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10.5 Any other disclosures in relation to *dividends or distributions*
N/A

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Dividends paid or provided for on all securities**N/A***(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)*

	Current period - \$US'000	Previous corresponding period - \$US'000	Franking rate applicable
Dividends paid or provided for during the reporting period			
10.6 Current year interim			
10.7 Franked dividends			
10.8 Previous year final			
10.9 Franked dividends			
Dividends proposed and not recognised as a liability			
10.10 Franked dividends			

Dividends per security*(as per paragraph Aus126.4 of AASB 101: Presentation of Financial Statements)***N/A**

	Current year	Previous year	Franking rate applicable
Dividends paid or provided for during the reporting period			
10.11 Current year interim			
10.12 Franked dividends – cents per share			
10.13 Previous year final			
10.14 Franked dividends – cents per share			
Dividends proposed and not recognised as a liability			
10.15 Franked dividends – cents per share			

Exploration and evaluation expenditure capitalised

To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit

N/A

	Current period \$US'000	Previous corresponding period \$US'000
11.1 Opening balance		
11.2 Expenditure incurred during current period		
11.3 Expenditure written off during current period		
11.4 Acquisitions, disposals, revaluation increments, etc.		
11.5 Expenditure transferred to Development Properties		
11.6 Closing balance as shown in the consolidated balance sheet (item 3.10)		

Development properties

(To be completed only by issuers with mining interests if amounts are material)

	Current period \$US'000	Previous corresponding period \$US'000
12.1 Opening balance		
12.2 Expenditure incurred during current period		
12.3 Expenditure transferred from exploration and evaluation		
12.4 Expenditure written off during current period		
12.5 Acquisitions, disposals, revaluation increments, etc.		
12.6 Expenditure transferred to mine properties		
12.7 Closing balance as shown in the consolidated balance sheet (item 3.11)		

Discontinued Operations

(see note 18)

(as per paragraph 33 of AASB 5: Non-current Assets Held for Sale and Discontinued Operations)

N/A

	Current period – US\$'000	Previous corresponding period – US\$'000
13.1 Revenue		
13.2 Expense		

13.3	Profit (loss) from discontinued operations before income tax		
13.4	Income tax expense <i>(as per para 81 (h) of AASB 112)</i>		
13.5	Gain (loss) on sale/disposal of discontinued operations		
13.6	Income tax expense <i>(as per paragraph 81(h) of AASB 112)</i>		

Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

Refer to attached financial statements

		Number issued	Number listed	Paid-up value (cents)	Current period – US\$'000	Previous corresponding period – US\$'000
14.1	Preference securities <i>(description)</i>					
14.2	Balance at start of period					
14.3	a) Increases through issues					
14.4	a) Decreases through returns of capital, buybacks etc.					
14.5	Balance at end of period					
14.6	Ordinary securities <i>(description)</i>					
14.7	Balance at start of period					
14.8	a) Increases through issues					
14.9	b) Decreases through returns of capital, buybacks etc.					
14.10	Balance at end of period					
14.11	Convertible Debt Securities <i>(description & conversion)</i>					

<i>factor)</i>					
14.12 Balance at start of period					
14.13 a) Increases through issues					
14.14 b) Decreases through maturity, converted.					
14.15 Balance at end of period					
	Number issued	Number listed	Paid-up value (cents)	Current period – US\$'000	Previous corresponding period – US\$'000
14.16 Options <i>(description & conversion factor)</i>					
14.17 Balance at start of period					
14.18 Issued during period					
14.19 Exercised during period					
14.20 Expired during period					
14.21 Balance at end of period					
14.22 Debentures <i>(description)</i>					
14.23 Balance at start of period					
14.24 a) Increases through issues					
14.25 b) Decreases through maturity, converted					
14.26 Balance at end of period					
14.27 Unsecured Notes <i>(description)</i>					
14.28 Balance at start of period					
14.29 a) Increases through issues					
14.30 b) Decreases through maturity,					

	converted					
14.31	Balance at end of period					
14.32	Total Securities					

N/A

		Current period – US\$'000	Previous corresponding period – US\$'000
	Reserves		
14.33	Balance at start of period		
14.34	Transfers to/from reserves		
14.35	Total for the period		
14.36	Balance at end of period		
14.37	Total reserves		
	Retained earnings		
14.38	Balance at start of period		
14.39	Changes in accounting policy		
14.40	Restated balance		
14.41	Profit for the balance		
14.42	Total for the period		
14.43	Dividends		
14.44	Balance at end of period		

Details of aggregate share of profits (losses) of associates and joint venture entities

N/A

(equity method)

(as per paragraph Aus 37.1 of AASB 128: Investments in Associates and paragraph Aus 57.3 of AASB 131: Interests in Joint Ventures)

Name of associate or joint venture entity

Reporting entities percentage holding

		Current period - \$US'000	Previous corresponding period - \$US'000
15.1	Profit (loss) before income tax		
15.2	Income tax		
15.3	Profit (loss) after tax		
15.4	Impairment losses		
15.5	Reversals of impairment losses		
15.6	Share of non-capital expenditure contracted for (excluding the supply of inventories)		
15.7	Share of net profit (loss) of associates and joint venture entities		

Control gained over entities having material effect

(See note 8)

N/A

16.1 Name of issuer (or group)

16.2 Consolidated profit (loss) after tax of the issuer (or group) since
the date in the current period on which control was acquired

16.3 Date from which profit (loss) in item 16.2 has been calculated

16.4 Profit (loss) after tax of the issuer (or group) for the whole of the
previous corresponding period

\$US'000

Loss of control of entities having material effect**N/A***(See note 8)*17.1 Name of *issuer* (or *group*)

\$US'000

17.2 Consolidated profit (loss) after tax of the entity (or *group*) for the current period to the date of loss of control17.3 Date from which the profit (loss) in *item 17.2* has been calculated17.4 Consolidated profit (loss) after tax of the entity (or *group*) while controlled during the whole of the previous corresponding period

17.5 Contribution to consolidated profit (loss) from sale of interest leading to loss of control

Material interests in entities which are not controlled entities**N/A***The economic entity has an interest (that is material to it) in the following entities.*

		Percentage of ownership interest (ordinary securities, units etc) held at end of period or date of disposal		Contribution to profit (loss) (<i>item 1.9</i>)	
18.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period \$US'000	Previous corresponding period \$US'000
				Equity accounted	
18.2	Total				
18.3	Other material interests			Non equity accounted (i.e. part of <i>item 1.9</i>)	
18.4	Total				

Reports for industry and geographical segments

N/A

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 114: Segment Reporting. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 114 and indicates which amount should agree with items included elsewhere in this statement.

		Current period - \$US'000	Previous corresponding period - \$US'000
	Segments		
	Revenue:		
19.1	External sales		
19.2	Inter-segment sales		
19.3	Total (consolidated total equal to item 1.1)		
19.4	Segment result		
19.5	Unallocated expenses		
19.6	Operating profit (equal to item 1.5)		
19.7	Interest expense		
19.8	Interest income		
19.9	Share of profits of associates		
19.10	Income tax expense		
19.11	Net profit (consolidated total equal to item 1.9)		
	Other information		
19.12	Segment assets		
19.13	Investments in equity method associates		
19.14	Unallocated assets		
19.15	Total assets (equal to item 3.18)		
19.16	Segment liabilities		
19.17	Unallocated liabilities		
19.18	Total liabilities (equal to item 3.32)		
19.19	Capital expenditure		
19.20	Depreciation		
19.21	Other non-cash expenses		

NTA Backing

Refer to attached report

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	0.065	0.068

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

21.1

N/A

International Financial Reporting Standards

Under paragraph 39 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.

22.1

N/A

Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.

22.2

N/A

Comments by directors

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

Basis of accounts preparation

If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. This report does not include all notes of the type normally included in an annual financial report [Delete if inapplicable.]

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible). In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations (as per paragraphs 16(b), 16(b) and Aus 16.1 of AASB 134: Interim Financial Reporting)

N/A

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

N/A

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

N/A

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

(Disclose changes in the half yearly statement in accordance with paragraph 16(a) of AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with paragraphs 28-29 of 108: Accounting Policies, Changes in Accounting Estimates and Errors.)

N/A

An issuer shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. (as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)

N/A

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year (as per paragraph 16(d) of AASB 134: Interim Financial Reporting)

N/A

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report (as per paragraph 16(j) of AASB 134: Interim Financial Reporting)

N/A

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence (as per paragraph 16(c) of AASB 134: Interim Financial Reporting)

N/A

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations (as per paragraph 16(i) of AASB 134: Interim Financial Reporting)

N/A

Annual meeting*(Preliminary final statement only)***N/A**

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the annual report will be available

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

International Financial Reporting Standards (IFRS)

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does/does not* (*delete one*) give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:
- | | |
|---|--|
| <input type="checkbox"/> The financial statements have been audited. | <input checked="" type="checkbox"/> The financial statements have been subject to review by a registered auditor (or overseas equivalent). |
| <input type="checkbox"/> The financial statements are in the process of being audited or subject to review. | <input type="checkbox"/> The financial statements have <i>not</i> yet been audited or reviewed. |
5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)
- **See attached**
6. The issuer **does not have** (*delete one*) a formally constituted audit committee.

Sign here: 10/9 Date: 2015
(~~Director~~ Company secretary)

Print name: ANDREW BRISTOW

Jinchi Biotech Ltd.

Interim Condensed Consolidated Report

For the six months ended June 30, 2015

(Expressed in Euro)

INDEPENDENT AUDITOR'S REVIEW REPORT

XiangYuanYang (2015) Review No.979

To the Board of Jinchi Biotech Ltd.:

We have reviewed the accompanying interim condensed consolidated statements of Jinchi Biotech Ltd. (the "Company"), which comprise the condensed consolidated statements of financial position as at June 30, 2015, and the condensed consolidated statements of loss and other comprehensive loss, condensed consolidated statements of changes in equity and condensed consolidated statements of cash flows for the six months periods ended June 30, 2015 and 2014, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of these condensed consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with International Financial Reporting Standards.

Hunan Yuanyang Certified Public Accountants Co., Ltd.
Changsha, Hunan Province, China
September 5, 2015



Jinchi Biotech Ltd.

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Jinchi Biotech Ltd.


Interim Condensed Consolidated Statements of Financial Position

(in Euros)

	June 30, 2015	December 31, 2014
Assets		
Current assets		
Cash and cash equivalents (note 3)	€ 29,515	€ 27,830
Trade receivables (note 4)	44,690	64,191
Prepayments (note 5)	74,854	91,848
Other receivables (note 6)	101,714	68,888
Inventory (note 7)	204,335	134,995
Due from related parties (note 17)	-	47,425
	455,108	435,177
Non-current assets		
Plant and equipment (note 8)	1,583,391	1,537,514
Intangible assets (note 9)	3,784	4,082
Long-term deferred asset (note 10)	16,322	80,853
	€ 2,058,605	€ 2,057,626
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 11)	33,794	61,971
Customer deposits	21,638	-
Due to related parties (note 17)	60,566	-
	115,998	61,971
Equity		
Share capital (note 12)	100	100
Additional paid-in capital (note 12)	2,989,569	2,989,569
Foreign currency translation reserve	455,628	263,435
Accumulated deficit	(1,502,690)	(1,257,449)
	1,942,607	1,995,655
	€ 2,058,605	€ 2,057,626

The accompanying notes are an integral part of these financial statements.

Signed by
Director



Signed by
Director



Jinchi Biotech Ltd.

Consolidated Statements of Operations and Comprehensive Loss

For the six months ended June 30, 2015 and 2014

(in Euros)

	For six months period ended	
	June 30, 2015	June 30, 2014
Revenues (note 13)	€ 84,653	€ 371,279
Cost of goods sold (note 13)	(37,373)	(150,227)
Sales taxes	-	(9,589)
Gross profit	47,280	211,463
Selling expenses (note 14)	(21,234)	(24,500)
General and administrative expenses (note 15)	(310,158)	(272,557)
Operating loss	(284,112)	(85,594)
Other income (note 16)	38,900	7,142
Other expenses	(29)	(623)
Loss before income taxes	(245,241)	(79,075)
Provision for income taxes	-	-
Loss for the period	(245,241)	(79,075)
Other comprehensive income (loss)		
Foreign currency translation adjustment	192,193	(18,535)
Total comprehensive loss	€ (53,048)	€ (97,610)
Loss per share		
Basic	(0.002)	(0.003)
Diluted	(0.002)	(0.003)
Weighted average number of common shares		
Basic	30,000,000	30,000,000
Diluted	30,000,000	30,000,000

The accompanying notes are an integral part of these financial statements.

Jinchi Biotech Ltd.

Consolidated Statements of Changes in Equity (in Euros)

	Share capital	Additional paid in capital	Accumulated deficit	Accumulated other comprehensive income/(loss)	Total equity
Balance, January 1, 2015	€ 100	€ 2,989,569	€ (1,257,449)	€ 263,435	€ 1,995,655
Loss for the period	-	-	(245,241)	-	(245,241)
Foreign currency translation adjustment	-	-	-	192,193	192,193
Balance, June 30, 2015	€ 100	€ 2,989,569	€ (1,502,690)	€ 455,628	€ 1,942,607
Balance, January 1, 2014	€ 100	€ 1,741,258	€ (878,315)	€ 23,477	€ 886,520
Profit for the period	-	-	(79,075)	-	(79,075)
Capital injection	-	1,248,311	-	-	1,248,311
Foreign currency translation adjustment	-	-	-	(18,535)	(18,535)
Balance, June 30, 2014	€ 100	€ 2,989,569	€ (957,390)	€ 4,942	€ 2,037,221

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Jinchi Biotech Ltd.

Consolidated Statements of Cash Flows

For the six months ended June 30, 2015 and 2014
(in Euros)

	For the six months period ended	
	June 30, 2015	June 30, 2014
Cash flows used in operating activities		
Loss for the period	€ (245,241)	€ (79,075)
Items not affecting cash:		
Depreciation and amortization	160,957	125,766
Changes in non-cash working capital items:		
Trade receivables	25,032	(129,551)
Prepayments and other receivables	(958)	11,765
Inventory	(57,644)	(9,101)
Other current assets	-	(13,314)
Accounts payable and other payable	(33,360)	8,854
Customer deposits	21,625	(8,329)
	(129,589)	(92,985)
Cash flows used in investing activities		
Addition of fixed assets	-	(258)
Addition of intangible assets	-	-
	-	(258)
Cash flows from financing activities		
Capital injection	-	1,246,514
Advance from related parties	130,819	(1,047,835)
	130,819	198,679
Effect of foreign exchange rate changes on cash and cash equivalents	455	(4,036)
Increase in cash and cash equivalents	1,685	101,400
Cash and cash equivalents, beginning of period	27,830	50,402
Cash and cash equivalents, end of period	€ 29,515	€ 151,802

The accompanying notes are an integral part of these financial statements.

Jinchi Biotech Ltd.

Notes to Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2015

(in Euros)

1. Nature of Business

Jinchi Biotech Ltd. (the "Company") was incorporated on March 13, 2014 under the British Virgin Islands ("BVI") Business Companies Act. The principal activity of the Company is investment holding. Its wholly-owned subsidiary Jinchi Enterprise Ltd. (the "Jinchi Enterprise") was incorporated on March 25, 2014 under the BVI Business Company Act. Through Jinchi Enterprise's wholly-owned subsidiary, Divine Spring International Limited ("HK Divine Spring") which was registered in Hong Kong, and the Company incorporated a subsidiary – Zhangjiajie Divine Spring Enterprise Management and Consulting Co. Ltd. ("Zhangjiajie Divine Spring") in the People's Republic of China ("PRC") on March 24, 2014.

On May 16, 2014, Zhangjiajie Divine Spring entered an Exclusive Comprehensive Cooperation Agreements ("Agreements") with Zhangjiajie (China) Jinchi Giant Salamander Biological Technology Co., Ltd. ("Zhangjiajie Jinchi"), a limited liability company which was established on January 12, 2009. In accordance with the agreements, Zhangjiajie Jinchi retains Zhangjiajie Divine Spring as an exclusive service provider, including but not limited to corporate governance, management in operation and financial regulations, strategic consultation, and etc. Zhangjiajie Divine Spring is entitled to receive all of the net profits of Zhangjiajie Jinchi for each fiscal year as the consideration for the services provided.

Zhangjiajie Jinchi, the operating company, is in Biotech Industry. Its approved scope of business includes: giant salamander protection; tourism and tourist souvenirs development and sales; biotechnology research and development and product sales; cigarettes and cigars retail; merchandise sales; Pre-packaged foods, bulk foods, dairy products (excluding infant formula milk powder) wholesale and retail.

2. Significant Accounting Policies

Statement of compliance

The unaudited interim condensed consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly they do not include all of the information required for full annual financial statements required by IAS 1 Presentation of Financial Statements of the International Financial Reporting Standards ("IFRS") as issued by the IASB. Therefore, the interim condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2014, which include information necessary to understand the Company's business and financial statement presentation.

Basis of Consolidation

The interim condensed consolidation financial statements have been prepared in conformity with IFRS, and reflect the accounts and operations of the Company and those of its wholly-owned subsidiaries. The Company also consolidates a Variable Interest Entities ("VIE"), for which it is the primary beneficiary. The primary beneficiary has both (a) the power to direct the activities of the VIE that most significantly affect the entity's economic performance, and (b) the obligation to absorb losses or the right to receive benefits. The Company, through its wholly-owned subsidiary – Zhangjiajie Divine Spring, has determined it as the primary beneficiary of Zhangjiajie Jinchi, the operating company, under the Agreement. As a result, the financial results of Zhangjiajie Jinchi are consolidated under the VIE consolidation model. The Company evaluates its relationship with the VIE on an ongoing basis to ensure that it continues to be the primary beneficiary. All intercompany transactions and balances have been eliminated in consolidation.

Jinchi Biotech Ltd.

Notes to Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2015

(in Euros)

2. Significant Accounting Policies - continues

Except as described below, the accounting policies and methods of computation used in the interim condensed consolidated financial statements for the six months ended June 30, 2015 are the same as those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2014.

In the current interim period, the Group has applied for the first time the following amendments to IFRSs issued by the IASB.

Amendments to IAS 19	Defined Benefit Plans: Employee Contributions
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle

The application of those new and revised IFRSs in the current interim period has had no material effect on amounts reported in these interim condensed consolidated financial statements and/or disclosures set out in these interim condensed consolidated financial statements.

New and revised IFRSs issued but not yet effective

IFRS 9	Financial Instruments ¹
IFRS 14	Regulatory Deferral Accounts ²
IFRS 15	Revenue from Contracts with Customers ¹
Amendments to IAS 1	Disclosure Initiative ³
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortization ³
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants ³
Amendments to IAS 27	Equity Method in Separate Financial Statements ³
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception ³
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations ³
Amendments to IFRSs	Annual Improvements to IFRSs 2012 - 2014 Cycle ³

¹ Effective for annual periods beginning on or after January 1, 2018.

² Effective for first annual IFRS financial statements beginning on or after January 1, 2016.

³ Effective for annual periods beginning on or after January 1, 2016.

Jinchi Biotech Ltd.

Notes to Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2015

(in Euros)

3. Cash and Cash Equivalents

	June 30, 2015	December 31, 2014
Cash on hand	€ 1,037	€ 1,430
Cash in bank	28,478	26,400
	€ 29,515	€ 27,830

4. Trade Receivable

	June 30, 2015	December 31, 2014
Small commodities sales	€ 17,839	€ 25,850
Tickets sales	26,851	38,341
	€ 44,690	€ 64,191

No allowance for doubtful debt was provided or reversed during the period ended June 30, 2015 and the year end December 31, 2014.

Below is an aged analysis of trade receivables (net of allowance for doubtful debts) presented based on invoice dates at end of the reporting periods, which approximately the respective revenue recognition date.

	June 30, 2015	December 31, 2014
Within 90 days	€ 46	€ 4,137
91 - 180 days	865	52,157
181 - 365 days	43,779	7,897
	€ 44,690	€ 64,191

Jinchi Biotech Ltd.

Notes to Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2015
(in Euros)

5. Prepayments

	June 30, 2015	December 31, 2014
By nature		
Deposits for purchase contracts	€ 34,874	€ 56,162
Prepayment for design fees	17,594	16,195
Prepayment for raw materials	22,386	19,491
	€ 74,854	€ 91,848

The aged analysis of the current portion of prepayment is listed below:

	June 30, 2015	December 31, 2014
Within 90 days	€ 12,230	€ 19,491
91 - 180 days	10,156	-
Over 1 year	52,468	72,357
	€ 74,854	€ 91,848

6. Other Receivables

	June 30, 2015	December 31, 2014
Deposits	€ 18,741	€ 27,867
Employee advances	76,435	35,921
Other business taxes	6,538	5,100
	€ 101,714	€ 68,888

Jinchi Biotech Ltd.

Notes to Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2015

(in Euros)

6. Other Receivables - continues

	June 30, 2015	December 31, 2014
Within 90 days	€ 54,727	€ 19,158
91 - 180 days	179	19,640
181 - 365 days	32,292	16,820
Over 1 year	14,516	13,270
	€ 101,714	€ 68,888

7. Inventory

	June 30, 2015	December 31, 2014
Small commodities	€ 84,473	€ 12,478
Cosmetics	49,126	84,687
Consignment materials	51,649	37,717
Raw materials	19,087	113
	€ 204,335	€ 134,995

Jinchi Biotech Ltd.

Notes to Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2015

(in Euros)

8. Plant and Equipment

Movements in the carrying value of plant and equipment were as follows:

	Building	Machinery	Electronic equipment	Office equipment	Exhibition equipment	Furniture	Construction in Progress	Total
Cost								
Balance at								
December 31, 2013	€ 627,339	€ 861,831	€ 118,120	€ 12,470	€ 20,242	€ 1,227	€ -	€ 1,641,229
Additions	-	-	9,331	-	-	-	-	9,331
Effect of foreign currency exchange differences	67,705	93,013	13,553	1,346	2,184	132	-	177,933
Balance at								
December 31, 2014	€ 695,044	€ 954,844	€ 141,004	€ 13,816	€ 22,426	€ 1,359	€ -	€ 1,828,493
Additions	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	60,040	82,481	12,180	1,193	1,938	117	-	157,949
Balance at June 30, 2015	€ 755,084	€ 1,037,325	€ 153,184	€ 15,009	€ 24,364	€ 1,476	€ -	€ 1,986,442

Movements in the accumulated depreciation of plant and equipment were as follows:

	Building	Machinery	Electronic equipment	Office equipment	Exhibition equipment	Furniture	Total
Balance at December 31, 2013	€ 35,446	€ 43,092	€ 34,921	€ 3,965	€ 1,383	€ 689	€ 119,496
Depreciation expense	31,141	87,903	23,318	2,416	981	238	145,997
Effect of foreign currency exchange differences	6,510	12,232	5,011	1,353	233	147	25,486
Balance at December 31, 2014	73,097	143,227	63,250	7,734	2,597	1,074	290,979
Depreciation expense	18,363	51,835	14,544	1,425	578	140	86,885
Effect of foreign currency exchange differences	6,326	12,403	5,472	669	225	92	25,187
Balance at June 30, 2015	€ 97,786	€ 207,465	€ 83,266	€ 9,828	€ 3,400	€ 1,306	€ 403,051

	Building	Machinery	Electronic equipment	Office equipment	Exhibition equipment	Furniture	Total
Net book amount							
At December 31, 2014	€ 621,947	€ 811,617	€ 77,754	€ 6,082	€ 19,829	€ 285	€ 1,537,514
At June 30, 2015	€ 657,298	€ 829,860	€ 69,918	€ 5,181	€ 20,964	€ 170	€ 1,583,391

The Company did not record any impairment provision for the period ended June 30, 2015 and for the year ended December 31, 2014.

Jinchi Biotech Ltd.

Notes to Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2015

(in Euros)

9. Intangible Assets

	Patent	Trade mark	Total
<i>Cost</i>			
Balance at December 31, 2013	€ -	€ -	€ -
Additions	2,120	1,985	4,105
Effect of foreign currency exchange differences	182	171	353
Balance at December 31, 2014	€ 2,302	€ 2,156	€ 4,458
Additions	-	-	-
Effect of foreign currency exchange differences	199	187	386
Balance at June 30, 2015	€ 2,501	€ 2,343	€ 4,844

Movements in the accumulated depreciation of intangible assets were as follows:

<i>Accumulated depreciation</i>	Patent	Trade mark	Total
Balance at December 31, 2013	-	-	-
Depreciation expense	347	-	347
Effect of foreign currency exchange differences	29	-	29
Balance at December 31, 2014	€ 376	€ -	€ 376
Depreciation expense	417	234	651
Effect of foreign currency exchange differences	33	-	33
Balance at June 30, 2015	€ 826	€ 234	€ 1,060

Net book amount:	Patent	Trade mark	Total
At December 31, 2014	€ 1,926	€ 2,156	€ 4,082
At June 30, 2015	€ 1,675	€ 2,108	€ 3,784

Jinchi Biotech Ltd.

Notes to Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2015

(in Euros)

10. Long-term Deferred Assets

	June 30, 2015	December 31, 2014
Leasehold improvements	€ 80,853	€ 191,808
Amortization	(74,071)	(121,203)
Effect of foreign currency exchange differences	9,540	10,248
	€ 16,322	€ 80,853

Leasehold improvements are amortized over 5 years. The remaining life of leasehold improvement is 1 year and 1 month.

11. Accounts Payable and Accrued Liabilities

	June 30, 2015	December 31, 2014
Trade payable	€ 19,589	€ 39,744
Other payable and accrued liabilities	14,205	22,227
	€ 33,794	€ 61,971

Jinchi Biotech Ltd.

Notes to Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2015

(in Euros)

12. Share Capital

Common share	Number of Shares	Share capital
Authorized and issued		
On March 13, 2014 (date of incorporation) and December 31, 2014 and June 30, 2015	30,000,000	€ 100

On March 13, 2014, the Company was incorporated in BVI with authorized and issued common shares of Euro at no par value each. Upon the reorganization on May 16, 2014, the Company has become the ultimate holding company of the Company. A nominal amount of €100 is recorded as share capital as of June 30, 2015 and December 31, 2014.

During the year ended December 31, 2014, additional capital contribution of €1,248,311 (RMB 10,530,000) was injected to Zhangjiajie Jinchi. The amount is recorded as additional paid in capital on the consolidated financial statement as of June 30, 2015 and December 31, 2014.

On August 14, 2014, the original shareholder of the Company sold majority of his ownership to various parties at 0.06 Euro per share. After the transaction, the original shareholder owns 9.9% of the Company's common share, and there are two other parties own over 10% of common shares respectively.

13. Revenue

	June 30, 2015	June 30, 2014
Tickets sales	€ 23,203	€ 153,043
Small commodities sales	33,007	129,583
Cosmetics sales	28,443	88,653
	€ 84,653	€ 371,279
Cost of sales	37,373	150,227
Sales tax	-	9,589
Gross Margin	€ 47,280	€ 211,463

Jinchi Biotech Ltd.

Notes to Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2015

(in Euros)

14. Selling Expenses

	June 30, 2015	June 30, 2014
Tickets commission fees	€ 297	€ 229
Advertising fees	1,678	17,359
Science and Technology Museum utilities fees	9,662	6,912
Online selling marketing fee	9,597	-
	€ 21,234	€ 24,500

Jinchi Biotech Ltd.

Notes to Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2015

(in Euros)

15. General and Administrative Expenses

	June 30, 2015	June 30, 2014
Salaries and employee benefits	€ 92,123	€ 52,495
Office supplies	3,986	1,103
Transportation expenses	400	34
Vehicle expenses	3,402	6,443
Meals and entertainments	8,313	1,956
Telephone charges	244	439
Utilities	166	52
Travel expenses	5,533	9,522
Meals	1,830	89
Depreciation	86,885	17,241
Amortization of long-term prepaid assets	74,071	58,706
Expenses for expert building	222	260
Employees welfare	1,409	355
Science and Technology Museum maintenance fees	247	-
Moving expenses	1,184	306
Local Taxes	3,678	649
Other fees	729	6,947
Low value consumptions	93	-
Repairs and maintenance costs	118	2,631
Land use fees	703	577
Disabled security payments	1,024	447
Union fees	819	326
Social securities	4,635	2,829
Unemployment insurance	496	310
Medical insurance	2,191	878
Research and development costs	288	7,583
Consulting fees	3,328	102,123
Meeting	83	329
Environmental fees	11,526	-
Exchange gain/loss	-	(7,683)
Bank charges	370	68
Others	62	5,542
	€ 310,158	€ 272,557

Jinchi Biotech Ltd.

Notes to Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2015

(in Euros)

16. Other Incomes

	June 30, 2015 ⁽²⁾	June 30, 2014 ⁽¹⁾
Government Grants	€ 38,900	€ 7,102
Interest income	-	40
	€ 38,900	€ 7,142

The government grants included the followings:

- (1) In January 2014, Zhangjiajie Jinchi received a government grant of €1,185 (RMB 10,000) from Science and Technology Bureau of Zhangjiajie City. In April 2014, the Company received a special funding of €5,917 (RMB 50,000) from local government to support its operation.
- (2) During the six month period ended June 30, 2015, the Company received € 28,833 (RMB 200,000) from Hunan Province medium to small size business development project, and €7,200 (RMB 50,000) of special funding from Agriculture and Animal Bureau of Zhangjiajie City, and €2,883 (RMB 20,000) from Science and Technology Bureau of Zhangjiajie City.

Jinchi Biotech Ltd.

Notes to Interim Condensed Consolidated Financial Statements

For the six months ended June 30, 2015

(in Euros)

17. Related Parties and Related Parties Transactions

Balance due from (to) related parties

Accounts	Related Parties	June 30, 2015	December 31, 2014	Nature of the transactions
Due from (to) related parties	Hunan Jinchi Landscape Company Limited	89,852	6,379	Working capital borrowings
Due from (to) related parties	One director and a shareholder	(217,770)	(185,391)	Fees paid on behalf of the Company
Due from related parties	One Director and a shareholder	67,352	226,437	Advances

Hunan Jinchi Landscape Company Limited (the "Landscape") is a company under common control with the Company as at December 31, 2014, and June 30, 2015.

18. Commitments

The Company signed an agreement with Zhangjiajie Giant Salamander Rescue Center for the lease of land. The lease term has twenty years starting from January 1, 2010 to December 31, 2030. The Company has paid the lease deposit of €14,416 (RMB 100,000) which was recorded as other receivable. The rent for the first ten years is €28,832 (RMB 200,000) per annum, and the rent is subjected to an annual increase of €1,442 (RMB 10,000) for the years subsequent to the first ten years.