

Yulong Eco-Materials Limited
QUARTERLY REPORT
June 30, 2020

PART A GENERAL COMPANY INFORMATION

Item 1: Exact name of Issuer as specified in its Charter: **Yulong Eco-Materials Limited.**

Item 2: Address of Principal Executive Offices

1621 Central Ave Cheyenne WY 82001

Telephone: 518-638-8192

Item 3: The Jurisdiction(s) and Date of the Issuer's Incorporation or Organization

Incorporated March 10, 2011 (Cayman Islands).

On May 7, 2019, the Company formally and legally moved its jurisdiction to the State of Wyoming.

PART B SHARE STRUCTURE

Item 4: Exact Title and Class of Securities Outstanding:

Common Stock,

CUSIP: 82936F 10 3

Trading Symbol: YECO (As of April 1, 2020 following the change of jurisdiction to the State of Wyoming, the Company's trading symbol was changed from YECOF, indicating a foreign designation, to YECO confirming the Company as a domestic corporation.)

Item 5: Par or stated value and description of the security.

\$0.001 Par Value. Authorized Capital: 1,000,000,000 common shares

Item 6: The number of shares or total amount of the securities outstanding for each class of securities authorized.

The Issuer had 2,411,070 shares of common stock outstanding as of June 30, 2020.

No other class of shares is authorized

(i) Period end date: June 30, 2020

(ii) Number of shares authorized: 100,000,000

(iii) Number of shares outstanding: 6,425,376 as of June 30, 2020 and 2,399,435 in 2019

(iv) Freely tradable shares (public float): 1,030,259 as of June 30, 2020

(v) Total number of beneficial shareholders: 5 as of June 30, 2020

(vi) Total number of shareholders of record: 19 as of June 30, 2020

Item 7: Transfer Agent:

On June 3, 2020 the Company changed its transfer agent to VStock Transfer LLC

VStock Transfer LLC, www.vstocktransfer.com (212) 828-8436

18 Lafayette Place, Woodmere, New York 11598

info@vstocktransfer.com

Financial Industry Number Standard (FINS) number: 341263

PART C BUSINESS INFORMATION

Item 8: The nature of the issuer's business.

On November 9, 2017, the Company effected a one-for-five reverse stock split (the "Reverse Stock Split") of its outstanding shares. The Company's shares opened for trading on the NASDAQ Capital Market on November 9, 2017 on a post-split basis.

The Reverse Stock Split was intended to increase the share trading price of the Company's ordinary shares to satisfy the \$1.00 minimum bid price requirement for continued listing on the NASDAQ Capital Market. When the reverse stock split becomes effective, every five (5) shares converted into one (1) share with no change in par value per share. This reduced the number of shares outstanding as of November 9, 2017 from approximately 12,055,324 to approximately 2,411,065. Any fractional shares resulting from the reverse stock split were rounded up to the next whole share.

On September 3, 2018, YECO's shareholders approved the acquisition of Millennium Sapphire from Millennium Enterprise LLC ("ME"), a Wyoming Corporation. The Purchase and Sale Agreement between Millennium Enterprises LLC and Yulong Eco-Materials Limited was effective on August 22, 2018. The purchase price to be paid by Yulong to ME for the Millennium Sapphire is US\$50,000,000 in YECO shares. YECO shall deliver 25,000,000 in YECO 144 shares. On February 26, 2019, the Company filed a Form 6-K disclosing that the acquisition of the Millennium Sapphire had been cancelled and all 25,000,000 shares had been returned to treasury.

On May 7, 2019, following the change of jurisdiction from the Cayman Islands to the State of Wyoming, the Company moved its headquarters to 1621 Central Avenue, Cheyenne, WY 82001.

On November 1, 2018, the Company received a "Staff Determination Letter" from Nasdaq pursuant to the business combination resulting in a "Change of Control" according to Nasdaq Listing Rule 5110(a). After the business combination, Yulong was required to satisfy all of Nasdaq's initial listing criteria and complete Nasdaq's initial listing process, including the payment of all applicable fees and up to date SEC filings. The Annual 20F filing was not completed or filed due to the fact that the previous management would not cooperate with the Company auditor. The Company had filed an appeal and paid a \$10,000 Hearing Fee to Nasdaq. The delisting action referenced in the Nasdaq's Staff Determination Letter had been stayed until a final written decision by the Nasdaq Hearings Panel. The hearing was scheduled for December 13, 2018. This appeal was denied and on April 2, 2019 NASDAQ filed a notification via the SEC to report the removal from listing and registration of the Company's shares.

On November 7, 2018, the Company closed a US\$3 million private placement with an institutional investor. We sold 1 million shares at a price of \$3.00 per share for gross proceeds of US\$3 million. In connection with the private placement, the Company issued a warrant to purchase up to 1 million shares at an exercise price of \$5.00 per share. The warrants were immediately exercisable and expire five years from the date of issuance.

On January 11, 2019, the Company filed a Form 6-K disclosing the following: On November 7, 2018, Yulong Eco-Materials Limited (the "Company") a Cayman islands corporation and CVI Investments, Inc. ("CVI") entered into the Purchase Agreement (the "Purchase Agreement") for the purchase and sale of 1,000,000 common shares ("Shares") of the Company and Share Purchase Warrants

(“Warrants”) for an aggregate purchase price of \$3,000,000. On December 13, 2018, the Company disclosed in its current report on Form 6-K that the Company’s Common Shares would be delisted from The NASDAQ Stock Market. On January 11, 2019, the Company disclosed in its current report on Form 6-K that the Company’s auditors advised the Company that they had encountered significant difficulties in obtaining the information and records necessary for the completion of the audit of the Company’s financial statements for the year ended June 30, 2018. Such information and records related to the operation of the Company prior to the acquisition by the Company of the Millennium Sapphire. As a result of the Company’s inability to complete its audit, the Company was unable to file its Annual Report on Form 20-F.

The terms of the Purchase Agreement required the Company to maintain its listing on The Nasdaq Stock Market and remain current in its filings with the Securities and Exchange Commission. Due to the Company’s inability to meet its obligations under the Purchase Agreement, the parties have agreed to enter into a Rescission Agreement and a Loan and Security Agreement. On January 28, 2019, the Company entered into the Rescission Agreement with CVI Investments, Inc. (“CVI”) pursuant to which the Company agreed to rescind the issuance of 500,000 of the Shares in consideration for the payment of \$1,500,000. Additionally, on February 6, 2019, the Company entered into a Loan and Security Agreement pursuant to which the Company issued a promissory note to CVI in the principal amount of \$2,500,000 in consideration for the return to the Company of balance of the Shares plus all of the Warrants. As security for the Company’s obligations to CVI under the promissory note. Pursuant to the terms of the Loan and Security Agreement, each party agreed to a general release of their respective rights and obligations under the Purchase Agreement.

Additionally, on February 26, 2019 the Company filed a Form 6-K disclosing that On September 11, 2018, shareholders of the Company agreed to acquire the carved, blue sapphire known as the Millennium Sapphire for US\$50 million via the issuance of 25 million restricted shares of the Company. However, effective January 31, 2019 the Board of Directors agreed to rescind and cancel the Millennium Sapphire acquisition together with any and all intellectual property associated with the Millennium Sapphire. This decision was based on the disclosures the Company received from its auditing firm, GC & Associates CPAs PLLC, concerning the failure of the original owners of the Chinese assets to provide the information or files required to complete a Form 20-F and the subsequent notification from the NASDAQ Stock Market that the Company’s shares would be suspended from trading on NASDAQ for failure to file the Form 20-F. All parties to the Millennium Sapphire transaction have agreed to the rescission. All 25 million shares issued for the acquisition of the Millennium Sapphire have now been returned and cancelled and the Sapphire together with any and all intellectual property associated with the Millennium Sapphire have been returned to the seller.

Effective March 5, 2019, the “Company reported the resignation of William Bossung, Norman Macasaet and Jeffrey Bergman from their positions as directors. Additionally, the Company reports the resignation of Edward Low from the position of Chief Financial Officer. Mr. Bossung, Mr. Macasaet and Mr. Bergman have served as directors since December 7, 2018. Mr. Low has also served as Chief Financial Officer since that date. Daniel Mckinney, currently serving as the Chief Executive Officer and director, will remain as the sole officer and director.

On March 12, 2019, the Company received formal notification from NASDAQ on Form 25 (Notification filed by national security exchange to report the removal from listing and registration of matured, redeemed or retired securities⁰ that the Company’s shares had been removed from Listing or Registration from trading on the NASDAQ Exchange under Section 12(b) of the Securities and Exchange Act of 1934.

On May 7, 2019, the Company filed Articles of Continuance with the Wyoming Secretary of State in order to move the Company's jurisdiction from Cayman Islands to the State of Wyoming. Upon completion, the Company ceased to be a foreign issuer and became a domestic issuer in the United States. Subsequently, effective May 7, 2019, Yulong Eco-Materials Limited received written notification from the Wyoming Secretary of State that the Articles of Continuation had been accepted by the State of Wyoming and filed accordingly. The completion of the filing with the Wyoming Secretary of State formally established the domestic, United States jurisdiction of the Company. A copy of the Articles of Continuance was filed as Exhibit 3.4 as part of the December 31, 2019 Annual report.

On July 1, 2019, the Company filed Form 15 with the Securities and Exchange Commission: Notice of Termination of Registration of a Class of Securities Under Section 12 to terminate or suspend the duty to file reports.

Legal Proceedings:

On July 3, 2019, Yulong Eco-Materials Limited filed Case No. CGC-19-576129 against Ridgeway Smith in the State of California Superior Court, County of San Francisco to recover a stock loan to Smith of \$500,000. The Company and Defendant Smith had entered into a written contract whereby the Company agreed to buy, and Smith agreed to sell, an alleged Michelangelo painting for 7.5 million shares of The Company stock for an agreed upon value of \$75 million. As additional consideration for the sale, The Company orally agreed to provide Smith with a stock loan for \$500,000, which was collateralized by the Company stock issued to Smith. Subsequent to the loan, the agreement for the acquisition of the painting was cancelled and on August 7, 2020, a total of 7,500,000 shares were cancelled and returned to treasury. Due to delays in the legal proceedings and the serious illness of the lawyer representing the Company, the lawsuit for return of the \$500,000-loan has not been finalized.

B. Business of the Issuer

Yulong Eco-Materials Limited is not an operating company as of the date of this filing. The original business of the Company has been terminated. The principal activities have ceased and Yulong Eco-Materials Limited is no longer generating revenues.

The Company's new business will be wholly based in the United States, but will have world-wide, universal application. Following a name change to EV Biologics Corp., management is working to become a world-class biotechnology company, focused on bringing human mesenchymal and other stem cell and cell-derived products to market in the biopharmaceutical and cosmetic spaces. Initially, these unique products will be provided to the international clinical research community including universities and physicians and will be targeted to the regenerative and aesthetic medicine markets. Additional development will be focused on investigation of novel stem cell-derived biopharmaceuticals designed for specific clinical conditions.

Subsidiaries

None.

Item 9: The nature of products or services offered

The Company has sold all of its interests in all the previously noted subsidiaries. Due to the sale of the company's former subsidiaries, the original business of the Company has been terminated, the principal activities have ceased and Yulong Eco-Materials Limited is no longer generating revenues from those subsidiaries. Current management is focused on bringing human mesenchymal and other stem cell and cell-derived products to market.

Item 10: The nature and extent of the issuer's facilities.

The Company has no facilities other than office space. Our office is located at 1621 Central Ave Cheyenne WY 82001. Our fiscal year end is December 31.

PART D MANAGEMENT STRUCTURE AND FINANCIAL INFORMATION

Item 11: The name of the chief executive officer, members of the board of directors, as well as control persons.

A. OFFICER AND DIRECTORS: The Company's officers and directors are as follows.

The following sets forth certain information concerning our officers and directors:

The following table includes the names, positions held, and ages of our current executive officers and directors as of September 30, 2020:

| Name | Age | Position | Held Position Since |
|-------------------|------------|-------------------------------------|----------------------------|
| Daniel McKinney | 59 | President, Vice President, Director | October 29, 2018 |
| Geoff Armstrong | 78 | Secretary, Treasurer | March 10, 2020 |
| Curtis Brooks | 71 | Director | June 20, 2020 |
| Dr. Jason Sanders | 43 | Director | August 31, 2020 |

Daniel Mckinney, President, Vice President, Director

Daniel McKinney grew up in Hong Kong where he was a pioneer in the exhibitions business in Asia and founded the Hong Kong Gem & Jewelry Show in 1983. Daniel was a primary gemstone manufacturer and wholesaler, when together with the late Gov. John Connelly of Texas, he became partners in one of the largest jewelry manufacturing companies in Asia. In 1998 he bought an 18kg rough sapphire crystal, then led the artistic carving production and named it 'The Millennium Sapphire'. Mr. McKinney has been the CEO and director of numerous public corporations and successfully founded many companies and ventures worldwide over the last 40 years.

Geoff Armstrong, Secretary, Treasurer

Mr. Armstrong earned his teaching diploma from McGill University, Macdonald College Campus, Montreal Canada, in June 1965; and his B.A. degree from Concordia University in 1967). In September 1990, began work as a full-time free-lance business writer and photographer for several small publications. From October 1992 began to focus on legal and securities aspects of business writing for a number of publicly traded corporations and continues to work in this field. Writing assignments have included the preparation of business plans, due diligence reports, news releases, corporate advertising and other promotional material. Currently president of Kouzelne Mesto Ltd.,

since inception. Kouzelne Mesto Ltd. is a private business services company incorporated in Prague, Czech Republic on April 6, 1995. Kouzelne Mesto Ltd. was organized in order to prepare and assist with the preparation of internal corporate documents for companies worldwide, assist with regulatory compliance and act as liaison with securities attorneys and auditors. Mr. Armstrong is also a published author. Currently, he has three published books in print, including *Moments That Made America: From the Ice Age to the Alamo*, *Innocence Isn't Enough* and *Songs of the Whale Clan*. His second book in his history series is called “*Moments That Made America: From Civil War to Superpower*” and is due out in late 2020.

Dr. Jason Sanders, Director

Dr. Sanders is a Board-Certified orthopedic surgeon, and a graduate from Harvard University with an honors degree in Biochemical Sciences and a concentration in molecular biochemistry and cellular signaling. Dr. Sanders graduated from the University of Miami School of Medicine in 2002 and was inducted into the Alpha Omega Alpha medical honor society. He completed his residency in orthopedic surgery at the University of Miami/Jackson Memorial Hospital and completed a fellowship in shoulder, elbow and hand surgery. After building a successful subspecialty practice in reconstructive surgery, Dr. Sanders shifted his focus to developing minimally-invasive regenerative techniques. With his holistic view of systemic regeneration, Dr. Sanders has developed innovative techniques using lasers, broadband light and advanced biologics, such as amniotic fluid, mesenchymal stem cells and stem cell exosomes to regenerate multiple organ systems including the musculoskeletal system and the skin. Dr. Sanders is currently involved in continued extracellular vesicles “EV” and exosome technology research and development, physician education and business development.

Curtis Brooks, G.G., Director

Curtis Brooks, has founded businesses in the fields of wholesale diamonds; the design, cutting and auctioning of some of the world’s finest gems including several of the “Named” Diamonds; he was the Director of International Development of at the time the largest international vertically integrated fine jewelry company in the world. Curtis, also built a financial paper business, a construction and rehab company. Curtis, designed the business model for and helped in finding the funding of a private hedge fund. Curtis, founded several training companies in investing in real estate and in the arbitrage of currencies. Curtis, in his early days, traveled the world buying and selling rare gem and crystal specimens to the world’s elite collectors and worked with and sold to most of the prominent Museums of the world including the New York Museum of Natural History, The Smithsonian, Royal Museum of Canada, the Museum of London, National d’Histoire Natural – Paris as well as Harvard, University of Texas, and UCLA to name a few. Curtis is acting as consultant to various regenerative health providers working with extracellular vesicles. Locating and vetting approved labs and Q&A of products for potential use. International financial Management / Marketing and Sales Training and execution of International Sales. Overseeing the potential sale of 7 clinics to a PE firm. Curtis, started addressing boards of banks and investors at the urging of his mentor “Big” John Connally and made a career of standing on stage and delivering to boards, a full array of information or strategic/tactical plans for the future. Curtis’ stage time also extensively included training thousands of students around the world in investing for themselves and running their own lives, in both real estate and currency arbitrage through the spot markets. Curtis, resides in the Tampa area. His studies included Business, International Finance, Psychology, Geology and Gemology successively at New Mexico Military Institute, University of Johannesburg, and the Gemological Institute of America where he receive his Graduate Gemologist degree. He is an author and internationally recognized speaker. He co-authored a book with Steve Forbes called, SuccessOnomic.

Beneficial Ownership:

The following table sets forth information regarding the beneficial ownership of our shares as of the date of this filing by our officers, directors and 5% or greater beneficial owners of ordinary shares. There is no other person or group of affiliated persons, known by us to beneficially own more than 5% of our shares.

| Name, Position & Address of Beneficial Owner | Title of Class | Amount of Beneficial Ownership | Percentage of Class ⁽¹⁾ |
|--|-----------------------|---------------------------------------|---|
| Daniel Mckinney, President, Chief Executive Officer, Vice President, Director 1621 Central Avenue, Cheyenne, WY 82001 | Common Stock | 2,500,000 shares | 38.9% |
| Geoff Armstrong, Secretary, Treasurer 250 H Street, Blaine WA USA 98230 | Common Stock | 72,000 shares | 1.1% |
| Curtis Brooks, Director 1621 Central Avenue, Cheyenne, WY 82001 | Common Stock | Nil | Nil |
| Dr. Jason Sanders 1621 Central Avenue, Cheyenne, WY 82001 | Common Stock | Nil | Nil |
| Coldway Limited LLC Debra Childers, 1621 Central Avenue, Cheyenne, WY 82001 | Common Stock | 1,042,267 Shares | 16.2% |
| Directors and Executive Officers as a Group (5 persons) | Common Stock | 2,572,000 Shares | 40% (1) |

1. Applicable percentage of ownership is based on 6,425,376 shares outstanding as of October 14, 2020, together with securities exercisable or convertible into common shares within sixty (60) days as of the date hereof for each stockholder. All shares outstanding for all periods have been retroactively restated to reflect the Company's 1-for-5 reverse stock split, which was effective on November 9, 2017.

We have determined beneficial ownership in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities. The person is also deemed to be a beneficial owner of any security of which that person has a right to acquire beneficial ownership within 60 days. Unless otherwise indicated, the person identified in this table has sole voting and investment power with respect to all shares shown as beneficially owned by him, subject to applicable community property laws.

Employees

As of the date of this filing, the Company does not participate in any pension contribution plans, medical insurance plans, unemployment insurance plans, personal injury insurance plans, maternity insurance or housing reserve funds.

Patents and Trademarks

We currently do not own or license any significant intellectual property, including patent, or copyright, in connection with our operations. On September 11, 2020, the Company, under its new name, EV Biologics, Corp. applied for a Trademark with the United States Patent and Trademark Office.

B. LEGAL/DISCIPLINARY HISTORY

None of our directors, executive officers and control persons have involved in any of the following events during the past five years:

- any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offences);
- being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; or
- being found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment or decision has not been reversed, suspended, or vacated.
- Being subject to an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

C. DISCLOSURE OF FAMILY RELATIONSHIPS

There are no family relationships among our directors or executive officers.

D. DISCLOSURE OF RELATED PARTY TRANSACTIONS.

- a) As of June 30, 2020, Yulong Eco-Materials Limited owed its President Daniel Mckinney total of \$1,587,486.
- b) For the three months ended June 30, 2020, Yulong Eco-Materials Limited owed its CEO \$43,215 for expense reimbursement and unpaid salary.

It should be noted that none of the directors of the Company are independent.

E. Disclosure of Conflicts of Interest. None.

Item 12: Financial information for the issuer’s most recent fiscal period

Yulong Eco-Materials Limited
(Expressed in US Dollars)

June 30, 2020

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QUARTER ENDED June 30, 2020

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FINANCIAL INFORMATION

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Yulong Eco-Materials Limited
(Unaudited)

Consolidated Balance Sheets as of June 30, 2020

| | June 30, 2020 | June 30, 2019 |
|--|----------------------|----------------------|
| Assets | | |
| Current | | |
| Cash and cash equivalents | | |
| Restricted cash | | |
| Account receivable, net | \$ 4,809,003 | \$ 4,809,003 |
| Deposits and other receivables | 1,211,335 | 1,211,335 |
| Inventories | 220,948 | 220,948 |
| Advance to suppliers | 180,337 | 180,337 |
| Prepaid expenses | 76,503 | 76,503 |
| Total current assets | 6,498,126 | 6,498,126 |
| Plant and Equipment, net | 6,938,490 | 6,938,490 |
| Construction in progress, net | 20,123 | 20,123 |
| Other receivable, non-current | 15,290,903 | 15,290,903 |
| Prepayments, net | 13,876 | 13,876 |
| Prepaid Expense, non-current | 50,000 | 50,000 |
| Intangible assets, net | 2,007,289 | 2,007,289 |
| Deferred tax assets - non current | 113,000 | 113,000 |
| Long-term deposit | 7,980 | 7,980 |
| Total Non-Current Assets | 24,441,661 | 24,441,661 |
| Total Assets | \$ 30,939,787 | \$ 30,939,787 |
| Liabilities and Stockholder's equity | | |
| Current Liabilities | | |
| Short-term loan- bank | \$ 5,468,399 | \$ 5,468,399 |
| Accounts payables, trade | 2,230,949 | 2,230,949 |
| Other payables and accrued liabilities | 10,796,788 | 10,606,410 |
| Other payables- related parties | 1,394,097 | 1,394,097 |
| Customer deposits | 4,090,599 | 4,090,599 |
| Tax payable | 1,294,039 | 1,294,039 |
| Capital lease obligation-current portion | 4,567,039 | 4,567,039 |
| Total current liabilities | 29,841,910 | 29,651,532 |
| Stockholders' Equity (deficit) | | |
| Common stock, \$0.00625 par value:100,000,000 shares 6,425,376 issued and outstanding, respectively | 3,014 | 3,014 |
| Subscription receivable | (10,000) | (10,000) |
| Additional paid-in capital | 40,709,440 | 40,709,440 |
| Statutory reserves | 3,922,228 | 3,922,228 |
| Retained earnings | (42,028,867) | (41,838,489) |

| | | |
|--|---------------|----------------------------|
| Accumulated other comprehensive income | (1,497,938) | (1,497,938) |
| Total Stockholders' Equity (deficit) | 1,097,877 | 1,288,255 |
| Total liabilities and stockholders' equity | \$ 30,939,787 | \$ 30,939,787 |
| Common Shares issued and outstanding | 6,425,376 | 2,411,070 and 2,399,435 |

See accompanying notes to the financial statement

Yulong Eco-Materials Limited
(Unaudited)
Consolidated Statement of Operations for the six-month ended
June 30, 2020 and June 30, 2019

| | 6 months January to June 2020 | 6 months January to June 2019 | For the period from August 19,1999 (Inception)Through June 30,2020 |
|---|-------------------------------------|-------------------------------------|---|
| Revenue | \$ | \$ | \$ 33,205,906 |
| Operating expenses | | | |
| Selling | | | 1,384,160 |
| General and administrative | 81,480 | 142,565 | 23,633,257 |
| Impairment loss-fixed assets & CIP | | | 51,678,175 |
| Impairment loss-intangible assets | | | 2,177,465 |
| Total operating expenses | <u>81,480</u> | <u>142,565</u> | <u>78,873,057</u> |
| Income (Loss) from Operations | \$ (81,480) | \$ (142,565) | \$ (45,667,151) |
| Bank charges | | | (11,530) |
| Interest income | | | 226,996 |
| Interest expense | | | (2,862,671) |
| Other finance expense | | | |
| Exchange gain/(loss) | | | |
| Change in fair value of warrant liabilities | | | 680,167 |
| Other income/(expense), net | | | 36,576 |
| Penalty | | | (678,039) |
| Income (Loss) before Income taxes | \$ (81,480) | \$ (142,565) | \$ (48,275,652) |
| Provision for Income taxes | | | 6,255,258 |
| Net (Loss) Income | | | (54,530,910) |
| Other Comprehensive Income/(Loss) | | | |
| Foreign currency translation adjustments | | | (1,229,173) |

| | | | |
|---|-----------|-----------|--------------|
| Comprehensive (Loss) Income | | | (55,760,083) |
| Weighted average number of shares outstanding - basic and diluted | 6,425,376 | 2,411,070 | |
| Net loss per share - basic and diluted | - | - | |

See accompanying notes to the unaudited consolidated financial statement

Yulong Eco-Materials Limited
(Unaudited)
Consolidated Statement of Operations for the Quarter ended
June 30, 2020 and June 30, 2019

| | 3 months April to June 2020 | 3 months April to June 2019 |
|---|-----------------------------------|-----------------------------------|
| Revenue | \$ | \$ |
| Operating expenses | | |
| Selling | | |
| General and administrative | 43,215 | 50,660 |
| Impairment loss-fixed assets & CIP | | |
| Impairment loss-intangible assets | | |
| Total operating expenses | <u>43,215</u> | <u>50,660</u> |
| Income (Loss) from Operations | \$ (43,215) | \$ (50,660) |
| Bank charges | | |
| Interest income | | |
| Interest expense | | |
| Other finance expense | | |
| Exchange gain/(loss) | | |
| Change in fair value of warrant liabilities | | |
| Other income/(expense), net | | |
| Penalty | | |
| Income (Loss) before Income taxes | \$ <u>(43,215)</u> | \$ <u>(50,660)</u> |
| Provision for Income taxes | | |
| Net (Loss) Income | | |
| Other Comprehensive Income/(Loss) | | |
| Foreign currency translation adjustments | | |
| Comprehensive (Loss) Income | | |
| Weighted average number of shares outstanding | 6,425,376 | 2,411,070 |
| Net loss per share - basic and diluted | - | - |

See accompanying notes to the unaudited consolidated financial statement

**Yulong-Eco Materials
Limited**
(Unaudited)
Shares Outstanding

| | This Fiscal Year | Last Fiscal Year | Previous to Last Fiscal Year |
|---|------------------|------------------|---------------------------------|
| Period End Date | 6/30/20 | 12/31/19 | 12/31/18 |
| Number of Shares Authorized | 100,000,000 | 100,000,000 | 100,000,000 |
| Number of Shares outstanding | 6,425,376 | 2,399,435 | 2,399,435 |
| Total Number of shareholders of record | | | |

See accompanying notes to the unaudited consolidated financial statements

Consolidated Statement of Cash Flows for the 6 months ended June 30, 2020

| | 6 months January to June 2020 | 6 months January to June 2019 | For the period From August 19,1999 (inception) to June 30, 2020 |
|--|--|-------------------------------------|---|
| Cash Flows Used in Operating Activities | | | |
| Net Income/(Loss) | \$ (81,480) | \$ (142,565) | \$ (54,530,910) |
| Adjustments to Reconcile net loss to net cash used in Operating activities | | | - |
| Depreciation | | | 4,339,716 |
| Amortization | | | 212,653 |
| Recovery of doubtful accounts | | | - |
| Deferred tax benefit | | | (30,858) |
| Changes in fair value of warrant liabilities | | | (349,418) |
| Stock based compensation expenses | | | 680,813 |
| Gain from disposal of equipment | | | - |
| Allowance for doubtful accounts | | | 5,851,187 |
| Reserve for prepayments | | | 2,789,307 |
| Impairment loss on fixed assets & CIP | | | 50,781,278 |
| Impairment loss on intangible assets | | | 2,293,004 |
| Changes in operating assets and liabilities: | | | |
| Account receivable | | | (6,568,387) |
| Restricted cash | | | (500,000) |
| Deposits and other receivables | | | (902,155) |
| Inventories | | | 170,288 |
| Advances to suppliers | | | (104,352) |
| Prepaid expense and other | | | (82,402) |
| Accounts payable, trade | | | 643,275 |
| Other payables and accrued liabilities | 81,480 | 142,565 | 8,906,056 |
| Customer deposits | | | 3,966,384 |
| Taxes payable | | | 240,262 |
| Net cash provided(used) in operating activities | 0 | 0 | 17,805,741 |

Cash Flow Used in Investing Activities

| | | | |
|---|----------|----------|---------------------|
| Payment for equipment and construction in progress | | | (22,811,713) |
| Proceeds from disposal of equipment | | | (9,774) |
| Prepayment for land use rights | | | (1,500,468) |
| Repayments from related parties | | | 26,674 |
| Net cash provided (used in) investing activities | <u>0</u> | <u>0</u> | <u>(24,295,281)</u> |
| | | | |
| Cash Flow from Financing Activities | | | |
| Proceeds from short-term loans-bank | | | 8,676,865 |
| Payments of short-term loan bank | | | (10,223,901) |
| Proceeds from (payments to) related parties | | | (5,528,606) |
| Principal payments on capital lease obligations | | | (1,827,086) |
| Proceeds from issuance of IPO shares, net | | | 11,510,157 |
| Net cash provided (used in) financing Activities | <u>0</u> | <u>0</u> | <u>2,607,429</u> |
| Effect of exchange rate on cash | | | |
| Changes in Cash and Cash equivalents. | | | |
| Cash, beginning of year | <u>0</u> | <u>0</u> | <u>0</u> |
| Cash, end of the year | <u>0</u> | <u>0</u> | <u>0</u> |
| Supplemental Cash Flow Information | | | |
| Cash paid for income tax | | 547,059 | 6,339,413 |
| Cash paid for interest | | | 1,262,858 |
| Non-Cash Investing and Financing Activities | | | |
| -Reclassification of construction in progress from prepayments-construction | | | 3,941,479 |
| -Additions to fixed assets and construction in Progress through other payables | | | 3,187,421 |
| -Acquisition of machinery, equipment and Intangible asset by capital leases | | | 4,576,365 |
| Repayments from related parties offset with other payable-related parties | | | 912,240 |
| Reclassification of intangible assets from Prepayment-land use rights | | | 379,434 |
| | | | |
| -Conversion of shareholders' debt to Issuance of ordinary shares for deferred | | | 9,959,613 |
| | | | |
| Issuance of ordinary shares for deferred Compensation | | 37,500 | 112,568 |
| Valuation of 112,500 warrants allocated to -Warrant liabilities from additional paid-in capital | | | 475,380 |
| -Reclassification of payables for litigations from Other payables-related parties | | | 177,903 |

| | | |
|---|-----------|-----------|
| Other receivable-related parties offset with Other payable-related parties | (463,749) | (233,871) |
|---|-----------|-----------|

See accompanying notes to the financial statements

YULONG ECO-MATERIALS LIMITED

Selected notes to consolidated financial statements

June 30, 2020

(Unaudited)

1. Basis of Presentation

The accompanying unaudited interim financial statements of Yulong Eco-Materials Limited have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission, and should be read in conjunction with the audited financial statements and notes thereto contained in Yulong Eco-Materials Limited Quarterly Report. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

Principles of Consolidation

The consolidated financial statements include only the accounts of Yulong Eco-Materials Limited. All previously owned subsidiaries have been sold.

2. Going Concern

Yulong Eco-Materials Limited is not an operating company as of the date of this filing. Due to sale of the company's former subsidiaries, the original business of the Company has been terminated. The principal activities have ceased and Yulong Eco-Materials Limited is no longer generating revenues. Yulong Eco-Materials Limited had a net loss of \$81,480 and had a working capital deficit of 23,343,784 and a stockholders' equity \$1,097,877 at June 30, 2020.

3. Related Party Transactions

- a) As of June 30, 2020, Yulong Eco-Materials Limited owes \$1,587,486 to related parties.
- b) For the three months ended June 30, 2020, Yulong Eco-Materials Limited owed its CEO, Daniel McKinney \$43,215 for expense reimbursement and unpaid salary. As of June 30, 2020, Yulong Eco-Materials Limited owed its CEO \$1,587,486 expense reimbursements and unpaid salary.

4. Shareholders' Equity

| | Number of Shares | Common Stock Amount |
|--|---------------------|---------------------|
| Balance as of December 31, 2014 | | |
| Shares issued on January 28, 2015 | | |
| Balance as of December 31, 2016 | | |
| Balance as of December 31, 2017 | | |
| Balance as of December 31, 2018 | 2,411,070 | 3,014 |
| Balance as of December 31, 2019 | 2,411,070 | 3,014 |

Balance as of June 30, 2020

6,425,376 3,014

5. Commitments

Yulong Eco-materials Limited has an office in Wyoming USA and does not pay rent.

6. Subsequent Events

No subsequent events during this quarter.

Item 13: Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.

The required information is included in the financial statement above.

Item 14: Beneficial Owners

Beneficial ownership means sole and shared voting power or investment power with respect to a security. In computing the number and percentage of shares beneficially owned by a person, shares of Common Stock subject to options and/or warrants currently exercisable, or exercisable at a later date, are counted as outstanding, but these shares are not counted as outstanding for computing the percentage ownership of any other person. At this time, however, there are no such options or warrants granted or outstanding.

Beneficial Ownership of Securities: Pursuant to Rule 13d-3 under the Securities Exchange Act of 1934, involving the determination of beneficial owners of securities, includes as beneficial owners of securities, any person who directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has, or shares, voting power and/or investment power with respect to the securities, and any person who has the right to acquire beneficial ownership of the security within sixty days through any means including the exercise of any option, warrant or conversion of a security.

The following table summarizes certain information regarding the beneficial ownership (as such term is defined in Rule 13d-3 under the Securities Exchange Act of 1934 of the Company's outstanding common stock as of November 8, 2011 by (i) each person known by the Company to be the beneficial owner of more than 5% of the Company's outstanding common stock, (ii) each director of the Company, (iii) each person named in the Summary Compensation Table if relevant, and (iv) all current executive officers and directors as a group. The security and stockholders listed below possess sole voting and investment power with respect to their shares.

No salaries, bonuses or other form of compensation were paid after August 31, 2018. The current Board of Officers and Directors serve without salaries.

Item 15: The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure:

1. Investment Banker: Not Applicable

2. Promoters Daniel McKinney, President, Director, Chief Executive officer.
1621 Central Ave Cheyenne WY 82001

3. Counsel Dieterich & Associates
11835 W. Olympic Boulevard, Suite 1235E
Los Angeles, California 90064

4. Accountant or Auditor - the information shall clearly (i) describe if an outside accountant provides audit or review services, (ii) state the work done by the outside accountant and (iii) describe the responsibilities of the accountant and the responsibilities of management (i.e. who audits, prepares or reviews the issuer's financial statements, etc.). The information shall include the accountant's phone number and email address and a description of the accountant's licensing and qualifications to perform such duties on behalf of the issuer.

The Company does not have an Auditor.

5. Public Relations Consultant(s)
Denny Burns
PO Box 362
Tiffin, Ohio 44883, USA
Telephone: (567) 237-4132
Email: dennyburns@hotmail.com

6. Investor Relations Consultant

7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement - the information shall include the telephone number and email address of each advisor.

Daniel McKinney President, Director
1621 Central Ave Cheyenne WY 82001
Email: daniel.mckinney@evbiologics.com

Item 16. Management's Discussion and Analysis or Plan of Operations

Results of Operations

Revenues

We have not generated revenues from our operations during the three-month period ended June 30, 2020.

Expenses

We incurred general and administrative expenses of \$43,215 for the three-month period ended June 30, 2020, as compared to \$50,660 for the same period in 2019.

Our management fee under general and administrative expenses is \$38,265 for the three-months ended June 30, 2020.

Liquidity and Capital Resources

As of June 30, 2020, we had cash of \$0.

Cash Used in Operating Activities

Net cash used in operating activities was \$0 for the three months ended June 30, 2020. For the same period in 2019, there was net cash provided of \$0. For the period from August 19, 1999 (inception) to June 30, 2020, net cash provided in operating activities was \$17,805,741. These balances are mainly made up of our net losses as disclosed above.

Cash Used in Investing Activities

Net cash provided in investing activities was \$0 for the three months ended June 30, 2020 and cash used in investing activities is \$0 for the three months ended June 30, 2020. Net cash used in investing activities was \$24,295,281 for the period from August 19, 1999 (inception) to June 30, 2020.

Cash from Financing Activities

We have funded our business to date from business sales and did not sell any common stock during the three months ended June 30, 2020.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

PART E: ISSUANCE HISTORY

Item 17: List of securities offerings and shares issued for services in the past three years.

NIL

Dividends

Securities Authorized For Issuance Under Compensation Plans

The Company does not have a formal Compensation Plan for the issuance of shares.

Item 18. EXHIBITS

The following exhibit was filed with December 31, 2019 Annual Report.

Exhibit 3.4: Articles of Continuance to the State of Wyoming.

Item 21 Issuer's Certifications .

Certifications by the Chief Executive Officer and Chief Financial Officer of the issuer

I Daniel Mckinney certify that:

1. I have reviewed this Quarterly Disclosure and Financial Statements of Yulong Eco-Materials Limited

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

By: Daniel Mckinney /s/
President, Chief Executive Officer
Date: 10/27/2020