UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended **November 30, 2013**

[ ] Transition Report pursuant to 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from __________ to__________
Commission File Number: **333-178082**

Xenetic Biosciences, Inc.
(Exact name of registrant as specified in its charter)

Nevada	**45-2952962**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

16445 North 91st St., Suite 103, Scottsdale, Arizona 85260
(Address of principal executive offices)

(702) 637-8536
(Registrant's telephone number)

General Sales and Leasing, Inc.
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days [X] Yes [ ] No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). [ ] Yes [X] No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

[ ] Large accelerated filer Accelerated filer [ ] Non-accelerated filer
[X] Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). [ ] Yes [X] No

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 135,000,000 as of January 3, 2013.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Our financial statements included in this Form 10-Q are as follows

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the SEC instructions to Form 10-Q. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the interim period ended November 30, 2013 are not necessarily indicative of the results that can be expected for the full year.

XENETIC BIOSCIENCES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	November 30, 2013	August 31, 2013
ASSETS		
Current assets:		
Cash	$ 40,078	$ 53,222
Accounts receivable	4,597	10,501
Prepaid expenses	8,729	9,220
Total current assets	53,404	72,943
Property, plant and equipment, net of accumulated amortization and depreciation of $76,308 and $58,026, respectively	395,583	413,866
Total assets	**$ 448,987**	**$ 486,809**
LIABILITIES AND STOCKHOLDERS' (DEFICIT)		
Current liabilities:		
Accounts payable and accrued expenses	$ 308,638	$ 429,693
Accrued interest	32,078	26,383
Total current liabilities	340,716	456,076
Long-term debt:		
Line of credit	160,000	—
Note payable	212,813	212,813
Total long-term debt	372,813	212,813
Total liabilities	713,529	668,889
Stockholders' (deficit)		
Preferred stock, $0.001 par value; 10,000,000 shares authorized, no shares issued and outstanding at November 30, 2013 and August 31, 2013, respectively	—	—
Common stock, $0.001 par value; 300,000,000 shares authorized, 135,000,000 shares issued and outstanding at November 30, 2013 and August 31, 2013, respectively	135,000	135,000
Additional paid-in capital	—	—
Accumulated deficit	(399,542)	(317,080)
Total stockholders' (deficit)	(264,542)	(182,080)
Total liabilities and stockholders' (deficit)	**$ 448,987**	**$ 486,809**

The accompanying notes are an integral part to these condensed financial statements.

XENETIC BIOSCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Month Ended November 30,	
	2013	**2012**
Revenue, net of cost of sales	$ 2,169	$ 32,964
Operating expenses:		
Aircraft maintenance and fee	—	12,000
Fuel and oil	—	11,936
Management fees	—	7,752
Professional fees	60,608	7,245
Depreciation and amortization	18,283	5,313
Administrative fees	45	—
Total operating expenses	78,936	44,246
Net loss from operations	(76,767)	(11,282)
Other income (expense)		
Interest expense	(5,695)	(3,197)
Total other income (expense)	(5,695)	(3,197)
Net income (loss)	**$ (82,462)**	**$ (14,479)**
Basic and diluted loss per share	$ (0.00)	$ (0.001)
Weighted average shares outstanding	135,000,000	13,500,000

The accompanying notes are an integral part to these condensed financial statements.

XENETIC BIOSCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Three Months Ended November 30, 2013	For the Three Months Ended November 30, 2012
Cash flows from operating activities:		
Net (loss)	$ (82,462)	$ (14,479)
Adjustments to reconcile net loss		
To net cash used in operations:		
Depreciation and amortization	18,283	5,313
Changes in operating assets and liabilities:		
Accounts receivable	5,904	(32,964)
Prepaid expenses	491	—
Accounts payable	(121,055)	38,933
Accrued interest	5,695	3,197
Net cash provided by operating activities	**(173,144)**	—
Cash flows from financing activities:		
Proceeds from loan payable	160,000	—
Net cash provided by financing activities	**160,000**	—
Net increase in cash	(13,144)	—
Cash at beginning of period	53,222	32,005
Cash at end of period	**$ 40,078**	**$ 32,005**
Supplemental disclosure of cash flow information:		
Cash paid for interest	**$ —**	**$ —**
Cash paid for taxes	**$ —**	**$ —**

The accompanying notes are an integral part to these condensed financial statements.

XENETIC BIOSCIENCES, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Presentation

The accompanying unaudited Condensed Financial Statements of Xenetic Biosciences, Inc. (formerly known as General Sales and Leasing, Inc.) (the "Company") have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles accepted in the United States for complete financial statements. The unaudited Condensed Financial Statements for the interim period ended November 30, 2013 include all adjustments which are, in the opinion of management, necessary for a fair presentation of the results for the interim period. This includes all normal and recurring adjustments, but does not include all of the information and footnotes required by generally accepted accounting principles ("GAAP") for complete financial statements. Financial results for the Company can be seasonal in nature. Operating results for the three-months ended November 30, 2013 are not necessarily indicative of the results that may be expected for the year ended August 31, 2014. For further information, refer to the Financial Statements and footnotes thereto included in the Company's Form 10-K for the year ended August 31, 2013 filed with the Commission on November 27, 2013.

(B) Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. Significant intercompany accounts and transactions have been eliminated.

(C) Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and expenses during the reported period. Actual results could differ from those estimates. Changes in facts and circumstances may result in revised estimates, which are recorded in the period in which they become known.

(D) Cash and Cash Equivalents

The Company considers all highly liquid temporary cash investments with an original maturity of three months or less to be cash equivalents. At November 30, 2013 and August 31, 2013, the Company had no cash equivalents.

(E) Overhaul Costs

Overhaul requirements established by the Federal Aviation Administration, aircraft airframes and engines must be overhauled within specific intervals. The value and usefulness of an aircraft can be heavily dependent on its stage of overhaul. For accounting purposes, airframe and aircraft engine overhauls encompass all inspections or replacements of major components, which the civil air regulations require at specific maximum periodic intervals to recertify that the frame or engine is completely airworthy. The Company reports its overhaul costs in accordance with ASC Topic 908-360-30-1(b). Overhaul costs are recorded utilizing the deferral method which requires the capitalization of costs when they are incurred. Under the deferral method, the actual cost of each overhaul is amortized to the next overhaul.

XENETIC BIOSCIENCES, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

(F) Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated using the straight-line method and with useful lives used in computing depreciation. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations. Expenditures for maintenance and repairs are charged to operations as incurred; additions, renewals and betterments are capitalized.

(G) Long-Lived Assets
The Company accounts for its long-lived assets in accordance with ASC Topic 360-10. ASC Topic 360-10 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the historical cost carrying value of an asset may no longer be appropriate. The Company assesses recoverability of the carrying value of an asset by estimating the future net cash flows expected to result from the asset, including eventual disposition. If the future net cash flows are less than the carrying value of the asset, an impairment loss is recorded equal to the difference between the asset's carrying value and fair value or disposable value.

(H) Financial Instruments
Financial instruments consist of cash, accounts receivable, accounts payable, and notes payable. Recorded values of cash, receivables, payables and accrued liabilities approximate fair values due to the short maturities of such instruments. Recorded values for notes payable and related liabilities approximate fair values, since their stated or imputed interest rates are commensurate with prevailing market rates for similar obligations.

(I) Loss Per Share
The Company reports earnings (loss) per share in accordance with ASC Topic 260-10. Basic earnings (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted average number of common shares available. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. As of November 30, 2013, there were no potential common shares underlying warrants or options.

(J) Revenue Recognition
Revenue is recognized in accordance with Staff Accounting Bulletin ("SAB") No. 101, Revenue Recognition in Financial Statements, as revised by SAB No. 104. As such, the Company recognizes revenue when persuasive evidence of an arrangement exists, title transfer has occurred, the price is fixed or readily determinable and collectability is probable. Sales are recorded net of sales discounts.

Revenues, which do not require production, modification or customization and do not have multiple elements, are recognized when (i) persuasive evidence of an arrangement exists; (ii) service has occurred; (iii) the Company's fee is fixed and determinable; and (iv) collectability is probable.

(K) Income Taxes
Income taxes are accounted for under the asset and liability method in accordance with ASC Topic 740-10. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. When it is considered to be more likely than not that a deferred tax asset will not be realized, a valuation allowance is provided for the excess.

(L) Recent Accounting Pronouncements
We do not believe there are any recently issued accounting standards that have not yet been adopted that will have a material impact on the Company's financial statements.

XENETIC BIOSCIENCES, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 2 - GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has a net loss of $82,462 for the 3 months ended November 30, 2013 and an accumulated deficit of $399,542 as of November 30, 2013, and it is expected that it will continue to have negative cash flows as the business plan is implemented.

These conditions give rise to doubt about the Company's ability to continue as a going concern. These financial statements do not include adjustments relating to the recoverability and classification of reported asset amounts or the amount and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to obtain additional financing or sale of its common stock as may be required and ultimately to attain profitability.

NOTE 3 - FIXED ASSETS

On August 11, 2011, the Company entered into an Aircraft Purchase/Sales Agreement with an unrelated and unaffiliated third party for the acquisition of a 2002 Robinson R44 Raven II helicopter for the purchase price of $212,500. Pursuant to paragraph 7 of the agreement, the Seller warrants that the Aircraft is in airworthy condition and has a currently effective Standard Category airworthiness certificate issued by the Federal Aviation Administration ("FAA") and that all Airworthiness Directives have been complied with. In September 2011, the Company engaged the services of an independent third party to perform the FAA required annual inspection without incident. The first mandatory FAA overhaul is required at 2,000 hobbs hours of operation, which has occurred in April 2013. The required overhaul is anticipated to take at least five months and keep the helicopter inoperable until December 2013. The overhaul is anticipated to cost between $200,000 and $220,000, which will increase the depreciable value of the asset and its hourly rental rate as well. The aircraft was placed in service on October 1, 2011 and is estimated to have a useful life of approximately 10 years.

Fixed assets consist of the following:

	November 30, 2013	August 31, 2013
Robinson R44 helicopter	$ 212,500	$ 212,500
Aircraft overhaul 2013	259,392	259,392
Total fixed assets	471,892	471,892
Less:		
Accumulated amortization	30,263	17,293
Accumulated depreciation	46,042	40,733
Total fixed assets, net	$ 395,583	$ 413,866

NOTE 4 – CURRENT LIABILITIES

Current liabilities consisted of the following:

	November 30, 2013	August 31, 2013
Accounts payable	$ 308,638	$ 429,693
Accrued interest	32,078	26,383
Total accrued liabilities, net	$ 340,716	$ 456,076

XENETIC BIOSCIENCES, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 5 - LONG-TERM DEBT

On August 11, 2011, the Company entered into a Purchase Money Promissory Note and Security Agreement in the amount of $212,813. The loan bears interest at a rate of 6% per annum, is secured by all the assets of the Company and matures on August 11, 2016. Pursuant to the terms of the agreement, the Company is required to make semi-annual interest only payments in the amount of $6,385 beginning on March 31, 2012 with the unpaid principal and accrued interest due at maturity on August 11, 2016. In addition, the agreement provides for one ninety-day extension at maturity upon the option of the holder. As of November 30, 2013 and August 31, 2013, the principal balance totaled $212,813 and accrued interest was $29,580 and $26,383, respectively.

On August 2, 2013 the Company entered into a Financing and Security Agreement for a line of credit to be solely used as direct payment for the 2013 overhaul of the Robinson R44 Raven II Helicopter. The line of credit has a $220,000 limit, is collateralized by all the assets of the Company and bears a 9.5% interest rate; it carries repayment terms of regular interest only payments due on a semi-annual basis beginning February 2, 2014. In addition, the agreement stipulates that the Company must make principal monthly payments of 25% of the helicopter's net rental income due on the 10^{th} of each month following service, beginning in the month the helicopter is placed back in service upon the completion of the overhaul. All principal and interest is payable on or before August 2, 2015. As of November 30, 2013 and August 31, 2013, principal totaled $160,000 and $0, respectively; accrued interest totaled $2,498 and $0, respectively.

NOTE 6 - RELATED PARTY TRANSACTIONS

On September 1, 2011, the Company entered into an Aircraft Use/Management Agreement with Elite Aviation VGT, LLC ("Elite") Mr. Ian Johnson, our sole officer is an employee of Elite. The term of the agreement is on a month to month basis with a ninety-day notification period for termination. Elite is wholly owned by the Company's former officers. Pursuant to the agreement, Elite has the authority to utilize the Company's Robison R44 helicopter in its ordinary course of business for rental and training purposes in exchange, Elite agrees to provide hanger storage and maintenance services at industry standard rates. In addition, Elite Aviation VGT, LLC ("Elite"), through their industry experience and contacts, assisted the Company in locating the R44 Raven. Elite also introduced the Company to various lenders, one of which subsequently provided the financing for the acquisition of the aircraft. The Company may seek Elite's assistance in connection the future purchase and/or financing of an additional aircraft.

On November 1, 2012, the Company terminated the Aircraft Use/Management Agreement with Elite Aviation VGT, LLC ("Elite") and replaced it with a Helicopter Lease Agreement with the same company. The lease agreement provides for income at a rate of $185 per Hobbs hour, and stipulates that the lessee will be responsible for all maintenance and repairs, hangar parking fees, insurance fees, as well as fuel and oil costs in relation to the helicopter for the duration of the lease, which is the sooner of December 31, 2014 or the date upon which the helicopter reaches a Hobbs register reading of 2,200 hours.

During the three months ended November 30, 2013 the Company recognized average rental rate was $0 because the asset was out of service for a scheduled overhaul causing it to be inoperable.

XENETIC BIOSCIENCES, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 7 STOCKHOLDERS' EQUITY

Effective February 25, 2013, the Company effectuated a ten –for – one forward stock split, whereby increasing the authorized capital to 300,000,000 $0.001 par value common stock and 10,000,000 $0.001 par value preferred stock. Preferred Stock may be issued in one or more series, with all rights and preferences being determined by the board of directors. All transactions have been retroactively re-stated to reflect the forward split.

Preferred Stock
The voting rights, rate of dividends preference in relation to other classes or series, and rights in the event of liquidation related to shares of Preferred Stock of any series are determined by the board of directors and may vary from time to time.

Common Stock
Holders of common stock have voting rights equal to one vote for each share of Common Stock held and are entitled to receive dividends when, and if declared by the board of directors subject to the rights of any Preferred Stock having preference as to dividends. In the event of liquidation or dissolution, subject to the rights of Preferred Stock Holders' are entitled to share ratably in the Corporations assets. Holders of Common Stock do not have conversion, redemption or preemptive rights.

NOTE 8 SUBSEQUENT EVENTS

On December 17, 2013, further to our announcement on November 12, 2013 of the Company's intention to make an offer for the entire issued and to be issued ordinary share capital of Xenetic Biosciences plc ("Xenetic") to be effected by means of a Scheme of Arrangement under Part 26 of the Companies Act in the UK, Xenetic announced the results of the Court Meeting and the General Meeting conducted in the UK for the purpose of considering and, if thought fit, passing various resolutions necessary to effect the Scheme and other matters set out in the notices of the relevant meetings. At the Court Meeting, a majority in number of Xenetic Shareholders who voted (either in person or by proxy), representing 99.9% per cent by value of all Xenetic Shares held by such Xenetic Shareholders, voted in favor of the resolution to approve the Scheme. At the General Meeting, the special resolution to facilitate the implementation of the Scheme was duly passed on a poll by the requisite majority of the votes cast in person or by proxy.

Completion of the Company's potential acquisition of Xenetic remains subject to the satisfaction or waiver of certain Conditions set out in the Scheme Document, including court sanction of the scheme and court confirmation of the associated Reduction of Capital for Xenetic. This will involve the Court's determination of the fairness of the transaction. The expected date for the Court Hearing (to sanction the Scheme and to confirm the Reduction of Capital) is January 23, 2014.

There can be no assurance that the Acquisition of Xenetic will be approved and effectuated. This announcement of the results of the Court Meeting and the General Meeting is merely the next step in the Company's proposed acquisition of Xenetic.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

Certain statements, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements." These forward-looking statements generally are identified by the words "believes," "project," "expects," "anticipates," "estimates," "intends," "strategy," "plan," "may," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse affect on our operations and future prospects on a consolidated basis include, but are not limited to: changes in economic conditions, legislative/regulatory changes, availability of capital, interest rates, competition, and generally accepted accounting principles. These risks and uncertainties should also be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Company Corporate Overview

We were incorporated as General Aircraft, Inc. on August 9, 2011 in the State of Nevada for the purpose of owning and operating helicopters for use in sightseeing tours and as pilot training aircraft. We currently own one helicopter, a Robinson R44 Raven II, which is used as a rental aircraft in the Las Vegas, Nevada area. The helicopter is hangered at North Las Vegas Airport, an executive and general aviation airport in North Las Vegas, Nevada.

On February 11, 2013, we appointed a new sole officer and director, Ari L. Nagler, and moved our executive offices to Scottsdale, Arizona. Under Mr. Nagler's leadership, in addition to our helicopter rental business, we started to develop an online advertising business through a new subsidiary, Shift It Media Co. On February 25, 2013, we also changed our corporate name to "General Sales and Leasing, Inc." in order to reflect the addition of this new line of business.

Additionally, in May of 2013, we entered into an MOU to obtain certain intellectual property rights to an Optical Touch Sensing Software and Chip-set, new patented technology designed to enhance control over electronic devices. Following some due diligence into this technology, we decided to abandon it as a potential additional new line of business.

On October 8, 2013, we transferred all of our assets and liabilities associated with our aircraft ownership and rental business to a wholly owned subsidiary, General Aircraft, Inc.

Aircraft Operations

We originally leased our helicopter under an Aircraft Use/Management Agreement ("Use and Management Agreement") dated September 1, 2011 with Elite Aviation VGT, LLC ("Elite"). Under the Use and Management Agreement we were required to pay a number of costs related to maintaining and operating the helicopter which were set-off against our rental income. In an attempt to avoid these costs and increase our bottom line profits, we renegotiated this arrangement with Elite, and on November 1, 2012, at the beginning of this fiscal year, we entered into a new Helicopter Lease Agreement ("Lease Agreement") which superseded the Use and Management Agreement. The new Lease Agreement (reported as a subsequent event in our 10K for the fiscal year end 2012) contained a simpler arrangement in which we accepted a lesser rental rate of $185 per hour, but without the obligation to cover regular maintenance and repairs, hangar parking fees, insurance or any fuel and oil costs in relation to the helicopter. We thus remained responsible for only the debt service, taxes, license and registration related to the helicopter.

The Lease Agreement provided for a minimum use of 40 hours per month and was set to expire on the sooner of December 31, 2014 or the date upon which the helicopter reached a Hobbs register reading of 2,200 hours, the amount of hours of usage in which the FAA requires a full mandatory overhaul of the helicopter by law (the "Time Out Date").

Ultimately, this arrangement with Elite proved to be a much more profitable arrangement for us, but in April of 2013, our helicopter reached the 2,200 hour Time Out Date and thus the lease was terminated and we were required to take the helicopter temporarily out of service for its mandatory safety overhaul. At the time, we anticipated the overhaul would take at least 5 months and cost between $200,000 and $220,000 (as projected by the manufacturer).

In order to finance the overhaul, in August of 2013, we entered into an arrangement with North Star Capital Inc. in which North Star agreed to provide us with a line of credit of up to $220,000 in exchange for a secured note which paid 9.5% interest. The first interest only payment on this line of credit is due on February 2, 2014 followed by semi-annual payments of interest only and a balloon payment due on August 2, 2015. Additionally, each month that the helicopter is placed back in service, we are required to pay 25% of the net rental income received as a principal payment against the Note.

In August of 2013, we engaged XL Air Service LLC ("XL") to manage the overhaul. As part of this engagement, we paid XL $180,000 toward the overhaul costs, of which $160,000 was a draw on the North Star line of credit. We currently expect the overhaul to be completed sometime before the end of January 2014. Approximately $40,000 in additional costs is expected to be needed to complete the overhaul. We anticipate that the overhaul will increase the value of the helicopter by at least the costs incurred as well as increase its hourly revenue earning rate.

We have recently entered into negotiations on a new Helicopter Lease Agreement with Elite. Under the new Agreement, once signed, we will lease our helicopter to Elite at a rate of $200 per hour. Rental fees will be due from Elite at the end of each month and there will be a minimum of 40 hours per month at the lease rate, regardless of the actual hours of flight time. Similar to the prior agreement, Elite will also be responsible for regular maintenance and repairs, fuel, oil and insurance for the helicopter.

Xenetic Biosciences plc

During the fourth quarter of our fiscal year ended August 31, 2013, we entered into discussions with Xenetic Biosciences plc ("XEN") regarding a potential all share offer for the entire issued and to be issued share capital of XEN (the "Acquisition"). On November 12, 2013, we reached an agreement on the terms of a recommended proposal for the Acquisition under which we will acquire the entire issued and to be issued share capital of XEN. As XEN is a UK based company trading on the AIM London Stock Exchange, the Acquisition is to be effected by means of a scheme of arrangement (the "Scheme") under Part 26 of the Companies Act in the UK by filing a Part 8 Claim with the High Court in London (which was filed on or about November 21, 2013). The Scheme needs to be approved by both 75% of the shareholders of XEN as well as the High Court in London (after a determination of fairness of the transaction) before becoming effective. On December 17, 2013, XEN announced that a majority in number of Xenetic Shareholders who voted (either in person or by proxy), representing 99.9% per cent by value of all Xenetic Shares held by such Xenetic Shareholders, voted in favor of the resolution to approve the Scheme. In addition, a special resolution to facilitate the implementation of the Scheme was passed by the requisite majority of the XEN shareholder votes cast in person or by proxy.

On November 12, 2013, as part of the Scheme, we also entered into an Agreement of Conveyance, Transfer and Assignment of Subsidiaries and Assumption of Obligations with our largest shareholder, Oxbridge Technology Partners, SA ("Oxbridge"), pursuant to which Oxbridge will acquire all of the rights to our current business operations through the purchase of all the shares of our two wholly owned subsidiaries, Shift It Media and General Aircraft, Inc. (the "Hive Out" Agreement). Under the Hive Out Agreement, Oxbridge will cancel its 100,000,000 Common Shares in exchange for: (a) the shares of our two subsidiaries, and (b) the payment of US$430,000 in cash, subject, among other things, to the Scheme becoming Effective. The assets and liabilities associated with such businesses will thereby be transferred to Oxbridge and Oxbridge's 100,000,000 Shares will be cancelled and returned to treasury once the Scheme becomes effective.

Under the Scheme, we will issue to the XEN shareholders 56 shares of our common stock for each 175 shares of their common stock. This will result in our immediately issuing an expected total of 130,520,137 shares of our common stock to the XEN Shareholders, which, following our planned 10 to 1 reverse share split and the cancelation of the shares held by Oxbridge in the Hive Out Agreement, will represent over 97% of our issued and outstanding shares.

As an additional step toward completion of the Acquisition, our board of directors and a majority of our shareholders have approved a change in our corporate name to "Xenetic Biosciences, Inc." and a reverse split of our common stock on a 1 for 10 basis. In connection with the reverse split, the par value of our common stock will also be increased from $0.001 to $0.01 per share. The effective date of these changes in the U.S. over-the-counter securities markets is expected to be on or about January 14, 2014, pending final approval of their effectiveness by FINRA. In the event that the Acquisition is consummated, certain of the officers and directors of XEN will assume management of our company, and, upon the divestment of our aircraft and advertising subsidiaries, we will focus our business activities exclusively on the business of XEN.

Completion of the Acquisition of XEN remains subject to the satisfaction or waiver of certain Conditions set out in the Scheme Document, including court sanction of the Scheme and court confirmation of the associated reduction of capital for XEN. This will involve the Court's determination of the fairness of the transaction. The expected date for the Court Hearing (to sanction or reject the Scheme and to confirm the reduction of capital) is January 23, 2014.

There can be no assurance that the Acquisition and Scheme will be effectuated (see conditions to Acquisition in the Scheme Document). Additional details and information regarding the Scheme can be found in the "Recommended Offer" and the Scheme Document itself, both provided in our prior reports on form 8K filed on November 13, 2013 (as amended) and November 25, 2013.

Results of Operations for the three months ended November 30, 2013 and 2012.

During the three months ended November 30, 2013, we generated $2,169 in total revenue, net of cost of sales. Our operating expenses during the three months ended November 30, 2013 were $78,936 and consisted of professional fees in the amount of $60,608, depreciation and amortization fees in the amount of $18,283 and administrative fees of $45. By comparison, during the three months ended November 30, 2012, we generated total revenues of $32,964 and incurred a net loss of $14,479. Our revenues during the quarter ended November 30, 2013 were lower than those of the same quarter last year due to our helicopter being temporarily out of service during its overhaul.

Liquidity and Capital Resources

As of November 30, 2013, we had total current assets of $53,404 consisting of cash in the amount of $40,078, accounts receivable of $4,597, and prepaid expenses of $8,729. We had current liabilities of $340,716 as of November 30, 2013, consisting of accounts payable and accrued expenses of $308,638 and accrued interest on our aircraft loan of $32,078. Accordingly, we had a working capital deficit of $287,312 as of November 30, 2013.

Our current aircraft loan is purchase money financing in the principal amount of $212, 813 secured by our Robinson R44 Raven II helicopter. The loan bears interest at the rate of six percent (6%) per year, and requires semi-annual interest payments of $6,385, commencing on March 31, 2012, and continuing every six months thereafter. All principal and interest is due under the loan on August 11, 2016.

In August of 2013, we entered into an arrangement with North Star Capital Inc. in which North Star agreed to provide us with a line of credit of up to $220,000 for the overhaul of our helicopter in exchange for a secured note which paid 9.5% interest. The first interest only payment on this line of credit is due on February 2, 2014 with semi-annual payments of interest after that and then a balloon payment due on August 2, 2015. Additionally, each month that the helicopter is placed back in service, we are required to pay 25% of the net rental income received as a principal payment against the Note. We have paid a total of $180,000 toward the overhaul costs for the helicopter, of which $160,000 was a draw on the North Star line of credit. We recently engaged a new service provider to complete the overhaul and currently expect the overhaul to be completed before the end of January 2014. Approximately $40,000 in additional costs are expected to complete the overhaul.

As discussed in the notes to our financial statements, we have not attained profitable operations and are dependent upon obtaining financing or generating revenue from operations to continue operations for the immediate future. As a result, our auditor has expressed a substantial doubt as to our ability to continue as a going concern. As discussed above, we will be required to seek additional financing in order to perform a mandatory overhaul of our helicopter. We can provide no assurance that such financing will be available on terms acceptable to us, or at all.

Off Balance Sheet Arrangements

As of November 30, 2013, there were no off balance sheet arrangements.

Going Concern

We have negative working capital, and, with the exception of the fiscal quarter before our aircraft reached its maximum operating hours, we have incurred losses since inception,. These factors create substantial doubt about our ability to continue as a going concern. The financial statements do not include any adjustment that might be necessary if we are unable to continue as a going concern.

Our ability to continue as a going concern is dependent on generating cash from the sale of our common stock and/or obtaining debt financing and attaining future profitable operations. Management's plans include selling our equity securities and obtaining debt financing to fund our capital requirement and ongoing operations; however, there can be no assurance we will be successful in these efforts.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

A smaller reporting company is not required to provide the information required by this Item.

Item 4. Controls and Procedures

We carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of November 30, 2013. This evaluation was carried out under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer, Ari Nagler. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of November 30, 2013, our disclosure controls and procedures are not effective. There have been no changes in our internal controls over financial reporting during the quarter ended November 30, 2013.

Management determined that the material weaknesses that resulted in controls being ineffective are primarily due to lack of resources and number of employees. Material weaknesses exist in the segregation of duties required for effective controls and various reconciliation and control procedures not regularly performed due to the lack of staff and resources.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act are recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Limitations on the Effectiveness of Internal Controls

Our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will necessarily prevent all fraud and material error. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving our objectives and our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective at that reasonable assurance level. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the internal control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are not a party to any pending legal proceeding. We are not aware of any pending legal proceeding to which any of our officers, directors, or any beneficial holders of 5% or more of our voting securities are adverse to us or have a material interest adverse to us.

Item 1A:Risk Factors

A smaller reporting company is not required to provide the information required by this Item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults upon Senior Securities

None

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description of Exhibit
3.1	Certificate of Amendment
3.2	Certificate of Change
31.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101**	The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended November 30, 2012 formatted in Extensible Business Reporting Language (XBRL).

**Provided herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	Xenetic Biosciences, Inc.
Date:	January 10, 2014
	/s/ Ari L. Nagler
By:	Ari L. Nagler
Title:	President, CEO, and CFO

ROSS MILLER
Secretary of State
206 North Carson Street
Carson City, Nevada 89701-4299
(775) 684 5708
Website: secretaryofstate.biz

Certificate of Amendment
(PURSUANT TO NRS 78.385 and 78.390)

USE BLACK INK ONLY-DO NOT HIGHLIGHT ABOVE SPACE IS FOR OFFICE USE ONLY

Certificate of Amendment to Articles of Incorporation
For Nevada Corporations
(Pursuant to NRS 78.385 and 78.390—After Issuance of Stock)

1. **Name of corporation:**
   General Sales and Leasing, Inc.
2. **The articles have been amended as follows (provide article numbers, if available):**
   ARTICLE I
   NAME

   The name of the corporation shall be Xenetic Biosciences, Inc. (hereinafter, the "Corporation").

3. **The vote by which the stockholders holding shares in the corporation entitling them to exercise at least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisions of the articles of incorporation* have voted in favor of the amendment is:**
   majority

4. **Effective date of filing (optional):**
5. **Signatures (required)**
   X /s/ Ari L. Nagler
   Signature

* If any proposed amendment would alter or change any preference or any relative or other right given to any class or series of outstanding shares, then the amendment must be approved by vote, in addition to the affirmative vote otherwise required, of the holders of shares representing a majority of the voting power of each class or series affected by the amendment regardless to limitations or restrictions on the voting power thereof.

ROSS MILLER
Secretary of State
206 North Carson Street
Carson City, Nevada 89701-4299
(775) 684 5708
Website: secretaryofstate.biz

Certificate of Change Pursuant
to NRS 78.209

USE BLACK INK ONLY – DO NOT HIGHLIGHT ABOVE SPACE IS FOR OFFICE USE ONLY

Certificate of Change filed Pursuant to NRS 78.209
For Nevada Profit Corporations

1. Name of corporation:
Xenetic Biosciences, Inc.
2. The board of directors have adopted a resolution pursuant to NRS 78.209 and have obtained any required approval of the stockholders.
3. The current number of authorized shares at the par value, if any, of each class or series, if any, of shares before the change:
300,000,000 shares of common stock, par value $0.001
10,000,000 shares of preferred stock, par value $0.001
4. The number of authorized shares and the par value, if any, of each class or series, if any, of shares after the change:
300,000,000 shares of common stock, par value $0.01
10,000,000 shares of preferred stock, par value $0.001
5. The number of shares of each affected class or series, if any, to be issued after the change in exchange for each issue share of the same class or series:
1 share will be issued for every 10 shares issued and outstanding
6. The provisions, if any, for the issuance of fractional shares, or for the payment of money or the issuance of scrip to stockholders otherwise entitled to a fraction of a share and the percentage of outstanding shares affected thereby:
fractional shares will be rounded to the nearest whole number
7. Effective date of filing (optional):
8. Officer Signature: X /s/ Ari L. Nagler

CERTIFICATIONS

I, Ari Nagler, certify that;

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended November 30, 2013 of General Sales & Leasing, Inc. (the "registrant");

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 10, 2014

/s/ Ari Nagler
By: Ari Nagler
Title: Chief Executive Officer

CERTIFICATIONS

I, Ari Nagler, certify that;

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended November 30, 2013 of General Sales & Leasing, Inc. (the "registrant");

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 10, 2014

/s/ Ari Nagler
By: Ari Nagler
Title: Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly Report of General Sales & Leasing, Inc. (the "Company") on Form 10-Q for the quarter ended November 30, 2013 filed with the Securities and Exchange Commission (the "Report"), I, Ari Nagler, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the consolidated financial condition of the Company as of the dates presented and the consolidated result of operations of the Company for the periods presented.

By:	/s/ Ari Nagler
Name:	Ari Nagler
Title:	Principal Executive Officer, Principal Financial Officer and Director
Date:	January 10, 2014

This certification has been furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.