

Edgar Filing: China Jianye Fuel, Inc. - Form 10QSB

China Jianye Fuel, Inc.
Form 10QSB
March 13, 2008

U. S. Securities and Exchange Commission
Washington, D. C. 20549

FORM 10-QSB

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
 [X]

For the quarterly period ended December
31, 2007

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
[]

For the transition period from _____ to _____

Commission File No. 0-52496

CHINA JIANYE FUEL, INC.
(Name of Small Business Issuer in its Charter)

Deleware
(State or Other Jurisdiction of
incorporation or organization)

20-8296010
(IRS Employer I.D. No.)

100 Wall Street, 15th Floor, New York, NY 10005
(Address of Principal Executive Offices)

Issuer's Telephone Number: (212) 232-0120

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Sections 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.

Yes X No

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

APPLICABLE ONLY TO CORPORATE ISSUERS: Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date:

March 13, 2008

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Common Voting Stock: 29,976,923

Transitional Small Business Disclosure Format (check one): Yes ___ No

CHINA JIANYE FUEL, INC
CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006

(UNAUDITED)

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CHINA JIANYE FUEL, INC
CONSOLIDATED BALANCE SHEET

ASSETS

	December 31, 2007 (unaudited)
CURRENT ASSETS	
Cash and cash equivalents	\$ 6,012
Accounts receivable, net of allowance of \$20,624	4,104,180
Advances to suppliers	853,306
Inventory	497,794
Other current assets	9,762
Total Current Assets	5,471,054
PROPERTY AND EQUIPMENT, NET	2,706,229
OTHER ASSETS	
Intangibles, net	59,264
Deferred production costs, net	266,098
Total Other Assets	325,362
Total Assets	\$ 8,502,645
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 62,551
Due to related parties	254,162
Due to shareholders	22,617
VAT tax payable	319,768
Other current liabilities	12,015
Total Current Liabilities	671,113
STOCKHOLDERS' EQUITY	
Common Stock, \$0.001 par value, 194,850,000 shares issued and outstanding	194,850
Additional paid-in capital	5,355,174
Retained earnings	2,033,985
Accumulated other comprehensive income	247,523
Total Stockholders' Equity	7,831,532

Total Liabilities and Stockholders' Equity	\$ 8,502,645
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The accompanying notes are an integral part of these consolidated financial statements.

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CHINA JIANYE FUEL, INC
CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME

	The Three Months Ended		The six Months Ended	
	December 31,		December 31,	
	2007	2006	2007	2006
	(unaudited)		(unaudited)	
SALES	\$ 3,449,434	\$ 68,242	\$ 3,497,730	\$ 110,189
COST OF GOODS SOLD	1,316,038	16,356	1,373,581	61,192
GROSS PROFIT	2,133,396	51,886	2,124,149	48,997
EXPENSES				
Selling, general and administrative	86,725	89,446	89,189	91,166
INCOME FROM OPERATIONS	2,046,671	(37,560)	2,034,960	(42,169)
OTHER INCOME (EXPENSES)	-	(43,219)	-	(44,253)
INCOME BEFORE PROVISION FOR INCOME TAX	2,046,671	(80,779)	2,034,960	(86,422)
PROVISION FOR INCOME TAX	-	-	-	-
NET INCOME	2,046,671	(80,779)	2,034,960	(86,422)
OTHER COMPREHENSIVE INCOME				
Foreign currency translation adjustment	(161,873)	(5,666)	(68,177)	121,100
COMPREHENSIVE INCOME	\$ 1,884,798	\$ (86,445)	\$ 1,966,783	\$ 34,678
BASIC EARNINGS PER SHARE	\$.02	\$ -	\$.04	\$ -
DILUTED EARNINGS PER SHARE	\$.02	\$ -	\$.04	\$ -
WEIGHTED AVERAGE SHARES OUTSTANDING				
BASIC	101,963,397	-	53,455,948	-
DILUTED	101,963,397	-	53,455,948	-

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

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CHINA JIANYE FUEL, INC

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Six Months Ended	
	December 31,	
	2007	2006
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 2,034,960	\$ (86,422)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:		
Bad debt expense	20,096	-
Depreciation and amortization	64,382	52,452
Deferred depreciation expense	(12,544)	(24,801)
Changes in current assets and current liabilities:		
Accounts receivable	(4,019,202)	-
Advances to suppliers	1,840,340	-
Inventory	(321,494)	(6,382)
Inter company and related party	107,212	35,599
Other current assets	(8,200)	-
Accounts payable and accrued expenses	(66,193)	49,346
Due to shareholders	37,578	11,900
VAT tax payable	330,821	(11,622)
Total Adjustments	(2,027,204)	106,492
Net Cash Provided by Operating Activities	7,756	20,070
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(2,467)	(20,240)
Net Cash Used by Investing Activities	(2,467)	(20,240)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from capital contributions	-	2,530,000
Net Cash Provided by Financing Activities	-	2,530,000
EFFECT OF FOREIGN CURRENCY TRANSLATION ON CASH	162	34,016
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,451	2,563,846
CASH AND CASH EQUIVALENTS – BEGINNING	561	728
CASH AND CASH EQUIVALENTS – ENDING	\$ 6,012	\$ 2,564,574

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CHINA JIANYE FUEL, INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS