

RENHUANG PHARMACEUTICALS INC
Form 10-Q
January 12, 2010

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

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended April 30, 2008

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number: O-24512

RENHUANG PHARMACEUTICALS, INC.
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

88-1273503
(I.R.S. Employer
Identification No.)

No. 281, Taiping Road, Taiping District,
Harbin, Heilongjiang Province, 150050, P. R. China
(Address of principal executive offices)

Registrant's telephone number, including area code 86-451-5762-0378

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. 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 No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller Reporting Company

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

Applicable only to corporate issuers:

As of May 20, 2008, there were 35,096,680 shares of common stock, par value \$0.001, issued and outstanding.

Renhuang Pharmaceuticals, Inc.

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PART I - FINANCIAL INFORMATION

This Quarterly Report includes forward-looking statements within the meaning of the Securities Exchange Act of 1934 (the “Exchange Act”). These statements are based on management’s beliefs and assumptions, and on information currently available to management. Forward-looking statements include the information concerning possible or assumed future results of operations of the Company set forth under the heading “Management’s Discussion and Analysis of Financial Condition or Plan of Operation.” Forward-looking statements also include statements in which words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “estimate,” “consider” or similar expressions are used.

Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions. The Company’s future results and shareholder values may differ materially from those expressed in these forward-looking statements. Readers are cautioned not to put undue reliance on any forward-looking statements.

ITEM 1 Financial Statements

RENHUANG PHARMACEUTICALS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS

	April 30, 2008 (Unaudited)	October 31, 2007(a) (Audited)
CURRENT ASSETS		
Cash and cash equivalents	\$ 13,401,359	\$ 10,153,603
Accounts receivable, net	12,354,941	8,889,411
Inventories	1,903,858	969,672
Prepayments and other receivables, net	546,375	196,997
TOTAL CURRENT ASSETS	28,206,533	20,209,683
PROPERTY, PLANT AND EQUIPMENT, NET	2,698,697	2,606,285
TOTAL ASSETS	\$ 30,905,230	\$ 22,815,968

(a) Reference is made to the audited financial statements of the Company filed with the SEC on Form 10-K in May 2008.

The accompanying notes are in integral part of the consolidated financial statements

RENHUANG PHARMACEUTICALS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

	April 30, 2008 (Unaudited)	October 31, 2007(a) (Audited)
CURRENT LIABILITIES		
Accounts payable	\$ 282,826	\$ 155,600
Due to related party	156,509	157,376
Other payables	1,048,685	1,109,492
TOTAL LIABILITIES	1,488,020	1,422,468
STOCKHOLDERS' EQUITY		
Preferred Stock - Authorized preferred shares 1,000,000, issued and outstanding number of shares nil and at par value of nil	-	-
Common Stock - Authorized common shares 100,000,000, issued and outstanding number of shares 35,096,680 at par value of \$0.001	35,097	35,097
Additional paid-in capital	6,627,099	6,627,099
Reserves	1,841,734	1,841,734
Retained earnings	18,336,781	11,980,112
Accumulated other comprehensive income	2,576,499	909,458
TOTAL STOCKHOLDERS' EQUITY	29,417,210	21,393,500
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 30,905,230	\$ 22,815,968

(a) Reference is made to the audited financial statements of the Company filed with the SEC on Form 10-K in May 2008.

The accompanying notes are in integral part of the consolidated financial statements

RENHUANG PHARMACEUTICALS, INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME
 (Unaudited)

	Three Months Ended		Six Months Ended April 30,	
	April 30,		2008	
	2008	2007	2008	2007
SALES	\$ 7,516,594	\$ 6,315,332	\$ 17,975,450	\$ 15,819,325
COST OF SALES	(3,423,785)	(3,120,081)	(8,221,517)	(7,693,017)
GROSS PROFIT	4,092,809	3,195,251		