

China Jianye Fuel, Inc.
Form 10-Q
November 14, 2008

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

FORM 10-Q

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

For the quarterly period ended September 30, 2008

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)

20-8296010

Deleware
(State or
Other
Jurisdiction
of
incorporation
or
organization)

(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 No

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

Large accelerated filer Accelerated filer Non-accelerated filer Small reporting company

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: Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date:

November 14, 2008

Common Voting Stock: 29,976,923

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

CHINA JIANYE FUEL, INC
CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2008 AND 2007

(UNAUDITED)

FINANCIAL STATEMENTS

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
China Jianye Fuel Inc.:

We have audited the accompanying consolidated balance sheets of China Jianye Fuel Inc. and subsidiaries (the "Company") as of September 30, 2008, and the related statements of operations and comprehensive income, stockholders' equity, and cash flows for three months ended September 30, 2008. These consolidated financial statements are the responsibility of the Company's management.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

/s/ Patrizio & Zhao, LLC

Parsippany, New Jersey
November 14, 2008

CHINA JIANYE FUEL, INC
CONSOLIDATED BALANCE SHEET

ASSETS
(UNAUDITED)

	September 30, 2008	June 30, 2008
(Unaudited)		
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 84,801	\$ 129,635
Accounts receivable, net of allowance for doubtful accounts of \$29,193 and \$29,113 at September 30, 2008 and June 30, 2008, respectively	5,402,038	5,793,568
Inventory	659,984	662,571
Advances to suppliers	1,027,111	1,031,406
Prepaid expenses	165,407	203,793
Other Current assets	158,420	147,481
Total Current Assets	7,497,761	7,968,454
PROPERTY AND EQUIPMENT, NET	2,763,787	2,833,086
OTHER ASSETS		
Intangibles, net	52,892	55,040
Total Assets	\$ 10,314,440	\$ 10,856,580
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 764,661	\$ 1,215,896
VAT tax payable	443,384	434,580
Income tax payable	528,235	526,791
Other current liabilities	930,199	873,471
Total Current Liabilities	2,666,479	3,050,738
Total Liabilities	2,666,479	3,050,738
STOCKHOLDERS' EQUITY		
Common Stock, \$0.001 par value, 200,000,000 shares authorized, 29,976,923 shares issued and outstanding	29,977	29,977
Additional paid-in capital	5,695,058	5,695,058
Retained Earnings	1,161,050	1,343,116
Accumulated other comprehensive income	761,876	737,691
Total Stockholders' Equity	7,647,961	7,805,842
Total Liabilities and Stockholders' Equity	\$ 10,314,440	\$ 10,856,580

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

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

	For the Three Months Ended	
	September 30,	
	2008	2007
SALES	\$ 122,841	\$ 47,888
COST OF GOODS SOLD	110,808	47,256
GROSS PROFIT	12,033	632
OPERATING EXPENSES		
Selling, general and administrative	193,865	12,244
LOSS FROM OPERATIONS	(181,832)	(11,612)
OTHER INCOME (EXPENSES)		
Other expense	(234)	-
INCOME BEFORE PROVISION FOR INCOME TAX	(182,066)	(11,612)
PROVISION FOR INCOME TAX	-	-
NET LOSS	(182,066)	(11,612)
OTHER COMPREHENSIVE INCOME		
Foreign currency translation adjustment	24,185	93,696
COMPREHENSIVE INCOME (LOSS)	\$ (157,881)	\$ 82,084
BASIC EARNINGS PER SHARE	\$ (0.01)	\$ (0.00)
DILUTED EARNINGS PER SHARE	\$ (0.01)	\$ (0.00)
WEIGHTED AVERAGE SHARES OUTSTANDING		
BASIC	29,976,923	4,948,500
DILUTED	29,976,923	4,948,500