

CHINA SXAN BIOTECH, INC.
Form 10-Q
November 19, 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
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For the transition period from _____ to _____

Commission File No. 0-27175

CHINA SXAN BIOTECH, INC.
(Name of Small Business Issuer in its Charter)

Nevada
(State of Other Jurisdiction of incorporation or organization)

95-4755369
(I.R.S. Employer I.D. No.)

c/o American Union Securities, Inc. 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

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 definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-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: Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date:

November 19, 2008: Common Stock: 19,542,572 shares

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

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

CHINA SXAN BIOTECH INC.

CONSOLIDATED BALANCE SHEET
(UNAUDITED)

ASSETS	September 30, 2008	June 30, 2008
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,412	\$ 23,203
Accounts receivable	5,317	-
Other receivables	1,302,539	1,163,854
Inventory	6,699,683	2,076,016
Advances to suppliers	59,012	5,884,877
Prepaid expenses	385	385
Total Current Assets	8,069,357	9,148,335
PROPERTY AND EQUIPMENT, NET	1,813,027	695,163
OTHER ASSETS		
Intangible assets, net	4,504,018	4,515,047
Total Assets	\$ 14,386,402	\$ 14,358,545
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 153,645	\$ 249,212
Income taxes payable	691,555	1,216,130
Taxes payable	126,708	126,362
Other payable	75,014	68,435
Due to stockholders	79,350	79,350
Total Current Liabilities	1,126,273	1,739,489
STOCKHOLDERS' EQUITY		
Series A convertible preferred stock, \$0.001 par value, 100,000,000 shares authorized, 27,011,477 shares issued and outstanding, respectively	27,011	27,011
Common stock, \$0.001 par value, 100,000,000 shares authorized 19,542,572 shares issued and outstanding	19,543	19,543
Additional paid-in capital	4,466,731	4,466,731
Retained earnings	6,167,614	6,169,574
Statutory reserve	378,782	378,782
Accumulated other comprehensive income	2,200,448	1,557,415
Total Stockholders' Equity	13,260,129	12,619,056

Total Liabilities and Stockholders' Equity	\$ 14,386,402	\$ 14,358,545
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The accompanying notes are an integral part of these consolidated financial statements.

CHINA SXAN BIOTECH INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(UNAUDITED)

	For the Three Months Ended	
	September 30,	
	2008	2007
	(Unaudited)	(Audited)
REVENUE	\$ 19,994	\$ 1,366,058
COST OF GOODS SOLD	18,305	400,239
GROSS PROFIT	1,689	965,819
OPERATING EXPENSES		
Selling, general and administrative expenses	9,187	258,579
INCOME FROM OPERATIONS	(7,498)	707,240