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Yasheng Eco-Trade Corp
Form 10-Q
May 24, 2010

United States
Securities and Exchange Commission
Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2010

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

Commissions file number 001-12000

YASHENG ECO-TRADE CORPORATION
(Exact name of registrant - registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or
organization)

13-3696015
(I.R.S. Employer Identification No.)

1061 ½ N Spaulding, Los Angeles, CA 90046
(Address of principal executive offices)

(323) 822-1750
Issuer's telephone number

(323) 822-1784
Issuer's facsimile number

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, 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.

Large accelerated filer Accelerated filer

Non accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

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State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

Common Stock, \$0.001 par value
(Class)

179,709,795
(Outstanding at May 17, 2010)

YASHENG ECO-TRADE CORPORATION (F/K/A VORTEX RESOURCES CORP.)

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Management's Representation of Interim Financial Information

Yasheng Eco-Trade Corporation has prepared the accompanying financial statements without audit pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles may have been shortened or omitted as allowed by such rules and regulations, and management believes that the disclosures are adequate to make the information presented not misleading. These financial statements include all of the adjustments that, in the opinion of management, are necessary to a fair presentation of financial position and results of operations. All such adjustments are of a normal and recurring nature. These financial statements should be read in conjunction with the audited financial statements at December 31, 2009 included in the Annual Report on Form 10-K and associated amendments for the year then ended. The results of operations for the periods presented are not necessarily indicative of the results we expect for the full year.

YASHENG ECO-TRADE CORPORATION (F/K/A VORTEX RESOURCES CORP.)
 CONDENSED CONSOLIDATED BALANCE SHEET
 Amounts in US dollars

	March 31 2010 (unaudited)	December 31 2009 (audited)
ASSETS		
Current assets:		
Cash and cash equivalents	289	85,789
Total current assets	289	85,789
Total Non Current assets from discontinued operations	1,544,690	1,544,690
Total assets	1,544,979	1,630,479
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	544,706	507,835
Accrued expenses	1,040,274	882,616
Other current liabilities	591,293	151,742
Total current liabilities	2,176,273	1,542,193
Convertible Notes Payable to Third Party	3,000,000	3,535,000
Total non Current liabilities	3,000,000	5,077,193
Stockholders' equity		
Preferred stock, series B convertible, \$.025 stated value, 210,087 shares authorized issued and outstanding 1,200,000 and 0 shares, respectively	5,000	5,000
Common stock, \$0.001 par value - Authorized 400,000,000 shares; 161,909,795 and 140,909,795 shares issued and outstanding as of March 31, 2010 and December 31, 2009, respectively	161,910	140,910
Additional paid-in capital	92,750,975	92,624,105
Accumulated deficit	(96,522,144)	(96,189,694)
Accumulated other comprehensive loss	(2,226)	(2,226)
Treasury stock – 1,000 common shares at cost	(24,809)	(24,809)
Total stockholders' equity	(3,631,294)	(3,446,714)
Total liabilities and stockholders' equity	1,544,979	1,630,479

See accompanying notes to consolidated financial statements.

YASHENG ECO-TRADE CORPORATION (F/K/A VORTEX RESOURCES CORP.)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	Three months ended March 31,	
	2010	2009
Revenues from Sales	\$ —	\$ —
Cost of revenues	—	—
Operating expenses		
Compensation and related costs	79,187	71,533
Consulting, professional and directors fees	93,001	159,209
Other selling, general and administrative expenses	103,210	40,595
Total operating expenses	275,398	271,337
Operating loss	(275,398)	(271,337)
Interest income	-	171,565
Interest expense	(57,052)	(262,240)
Net interest income (expense)	(57,052)	(362,012)
Financing loss - change in conversion price	-	(1,786,000)
Loss before income taxes	(332,450)	(2,148,012)
Net Loss before minority interest in loss of consolidated subsidiary	(332,450)	(2,148,012)
Less minority interest in loss of consolidated subsidiary	-	(485,000)
Net loss	(332,450)	(2,633,012)
Comprehensive (loss)	\$ (332,450)	\$ (2,633,012)
Loss per share from continuing operations, basic	(0.00)	(0.12)
Net Loss per share, basic	(0.00)	(0.12)
Loss per share from continuing operations, diluted	(0.00)	(0.12)
Net Loss per share, diluted	(0.00)	(0.12)
Weighted average number of shares outstanding, basic	120,373,694	21,908,878
Weighted average number of shares outstanding, diluted	120,373,694	21,908,878

See accompanying notes to condensed consolidated financial statements.

YASHENG ECO-TRADE CORPORATION (F/K/A VORTEX RESOURCES CORP.)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (unaudited)

	Stock		Common Stock		Additional		Accumulated		Treasury Stock	Shareholders' Equity
	Number of Shares	Amount	Number of Shares	Amount	Paid-in Capital	Accumulated Deficit	Other Comprehensive Loss			
Balances January 1, 2009	1,000,000	1,200,000	872,809	873	85,467,283	(89,497,091)	(2,226)	(24,809)	(2,855,970)	
Conversion of note to common shares			8,500,000	8,500	1,048,833				1,057,333	
Change in conversion price					1,786,000				1,786,000	
Shares issued to Yasheng			50,000,000	50,000	146,830				196,830	
Shares issued to Capitol			38,461,538	38,462	112,948				151,410	
Conversion of preferred Series B stock	(1,000,000)	(1,200,000)	7,500,000	7,500	1,192,500				-	
Issuance of Series C Preferred Stock	210,087	5,000			(55)				4,945	
Discount on conversion of debt					1,278,821				1,278,821	
Star note payable conversion			8,000,000	8,000	342,000				350,000	
Moran note payable conversion			11,903,333	11,903	88,097				100,000	
Common stock issuance: Raccah			1,075,655	1,076	376,144				377,220	
Common stock issuance: Yaniv			50,000	50	74,950				75,000	

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Common stock issuance for servies:				
Fleming law firm	46,460	46	22,254	22,300
Common stock issuance for servies:				
Public Relations firm	500,000	500	51,500	