

Edgar Filing: China Huaren Organic Products, Inc. - Form 10-Q

China Huaren Organic Products, Inc.  
Form 10-Q  
November 19, 2008

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

FORM 10-Q

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

For the quarterly period ended September 30, 2008

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 0-25380

CHINA HUAREN ORGANIC PRODUCTS, INC.  
(Exact Name of Small Business Issuer as specified in its Charter.)

DELAWARE  
(State of Other Jurisdiction of  
incorporation or organization)

43-1401158  
(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, including zip code)

212-232-0120  
(Issuer's Telephone Number, Including Area Code)

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 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.

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Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller 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

The number of shares of common stock, par value \$0.01 per share, outstanding as of November 19, 2008 was 15,000,712

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PART I.  
FINANCIAL INFORMATION

## Item Financial Statements

1.

**CHINA HUAREN ORGANIC PRODUCTS INC. AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS**

	September 30, 2008	December 31, 2007
Assets	Unaudited	Audited
<b>Current Assets:</b>		
Cash and equivalents	\$ 9,013	\$ 76,658
Accounts receivable, net of allowance for doubtful amounts of zero and \$45,668, respectively	-	4,521,106
Inventories	-	762,972
Prepaid expenses	1,558,954	1,591,952
Other current assets	736	110
Total Current Assets	1,568,703	6,952,798
Property and Equipment, Net	11,474	10,670
Deposit for Purchase of Fixed Assets	3,967,462	3,692,950
Deferred Tax Asset	56,537	-
Total Assets	5,604,176	10,656,418
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	122,830	87,732
Loan from officers/stockholders	129,317	90,132
Tax payable	1,694,681	1,570,078
Other current liabilities	2,106	5,127
Total Current Liabilities	1,948,934	1,753,069
<b>Stockholders' Equity</b>		
Series C preferred stock, \$0.01 par value, 150,000 shares authorized, zero and 100,000 shares issued and outstanding	-	1,000
Common stock, \$0.01 par value, 100,000,000 shares authorized, 15,000,712 and 14,699,853 shares issued and outstanding	150,007	146,999
Additional paid-in capital	6,041,868	6,043,876
Reserve fund	259,244	259,244
Retained earnings	(4,301,992)	1,447,838
Accumulated other comprehensive income	1,506,115	1,004,392
Total Shareholders' Equity	3,655,242	8,903,349
Total Liabilities and Stockholders' Equity	\$ 5,604,176	\$ 10,656,418

See notes to consolidated financial statements.



CHINA HUAREN ORGANIC PRODUCTS INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)  
(UNAUDITED)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2008	2007	2008	2007
	Unaudited	Unaudited	Unaudited	Unaudited
Revenues	\$ -	\$ 733,914	\$ -	\$ 7,314,592
Cost of Goods Sold	-	345,740	-	6,119,578
Gross Profit	-	388,174	-	1,195,014
Operating Expenses				