

CHINA SXAN BIOTECH, INC.
Form 10-Q/A
January 06, 2010

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

Amendment No.2 to FORM 10-Q

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

For the quarterly period ended December 31, 2007

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.
(Exact name of registrant as specified in its charter)

Nevada 95-4755369
(State or (I.R.S. Employer I.D. No.)
Other
Jurisdiction
of

incorporation or organization)

Three-Kilometer Spot Along the Haiyi Highway, Tieli City, Heilongjiang Province, P.R. China
(Address of Principal Executive Offices)

Issuer's Telephone Number: (86)-458-2386888

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 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 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:

February 14, 2008: Common Stock: 19,542,572 shares

EXPLANATORY NOTE:

This Amendment No. 2 10-Q (the “Amended Filing”) to the Quarterly Report on Form 10-Q for the quarter ended December 31, 2007 (the “Original Filing”) of China SXAN Biotech, Inc. (the “Company”) is filed to correct and include the complete text of the item which in our case is item 1 being amended. Since we have made changes to the unaudited statements of income of the financial statements, in this amended filings we included all the disclosures required under Item 1 of the Form 10-Q. This Amended Filing also includes required certifications relating to the internal control over financial reporting of the Company, Exhibits 31.1 and 32.1 of the Original Filing.

This Form 10-Q/A should be read in conjunction with the original Form 10-QSB, which continues to speak as of the date of the Form 10-QSB. Except as specifically noted above.

CHINA SXAN BIOTECH INC.
(FORMERLY ADVANCE TECHNOLOGIES INC.)
CONSOLIDATED INCOME STATEMENT
AS OF DECEMBER 31, 2007 AND JUNE 30, 2007
(UNAUDITED)

	December 31, 2007 (Restated)	June 30, 2007 (Restated)
CURRENT ASSETS		
Cash and cash equivalents	\$72,336	\$4,892
Accounts receivable, net of allowance for doubtful accounts of \$0 and \$6,666 at December 31, 2007 and June 30, 2007, respectively	5,100	1,326,481
Other receivables, net of allowance for doubtful accounts of \$2,515 and \$0 at December 31, 2007 and June 30, 2007, respectively	500,541	678,344
Inventory	5,410,207	1,332,469
Advances to suppliers	1,605,989	1,877,554
Prepaid expenses	385	151
Total Current Assets	7,594,558	5,219,891
PROPERTY AND EQUIPMENT, NET	756,536	837,047
OTHER ASSETS		
Intangible assets, net	4,287,496	4,155,315
Total Assets	\$12,638,590	\$10,212,253
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$671,494	\$425,875
Income taxes payable	928,309	736,496
Taxes payable	118,740	-
Due to stockholders	289,747	225,474
Total Current Liabilities	2,008,290	1,387,845
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 and 39,527,897 shares issued and outstanding at December 31, 2007 and June 30, 2007, respectively	19,543	39,528
Additional paid-in capital	4,466,731	4,600,841
Retained earnings	4,901,702	3,360,137
Statutory reserve	378,782	378,782
Accumulated other comprehensive income	836,531	418,109
Total Stockholders' Equity	10,630,300	8,824,408

Total Liabilities and Stockholders' Equity	\$12,638,590	\$10,212,253
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The accompanying notes are an integral part of these consolidated financial statements.

CHINA SXAN BIOTECH INC.
(FORMERLY ADVANCE TECHNOLOGIES INC.)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
FOR THREE AND SIX MONTHS ENDED DECEMBER 31, 2007 AND 2006
(UNAUDITED)

	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2007	2006	2007	2006
	(Restated)	(Restated)	(Restated)	(Restated)
REVENUE	\$3,644,824	\$3,271,018	\$5,010,882	\$3,305,174
COST OF GOODS SOLD	1,983,135	1,222,818	2,383,374	1,313,133
GROSS PROFIT	1,661,689	2,048,200	2,627,508	1,992,041
OPERATING EXPENSES				
Selling, general and administrative expenses	559,912	270,955	818,492	319,158
INCOME FROM OPERATIONS	1,101,777	1,777,245	1,809,016	1,672,883
OTHER INCOME (EXPENSE)				
Interest income (expense), net	-	(1,133)	-	(1,133)
Other income (expense), net	89	12,772	4,590	12,886
Total Other Income (Expense)	89	11,639	4,590	11,753
INCOME BEFORE PROVISION FOR INCOME TAXES	1,101,866	1,788,884	1,813,606	1,684,636
PROVISION FOR INCOME TAXES	165,280	271,470	272,041	271,470
NET INCOME	936,586	1,517,414	1,541,565	1,413,166
OTHER COMPREHENSIVE INCOME				
Foreign currency translation adjustment	285,907	97,286	418,423	160,895
COMPREHENSIVE INCOME	\$1,222,493	\$1,614,700	\$1,959,988	\$1,574,061
EARNINGS PER SHARE				
Basic	\$0.09	\$1.96	\$0.24	\$1.82
Diluted	\$0.05	\$1.16	\$0.08	\$1.08
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
Basic	10,910,858	775,056	6,348,381	775,056
Diluted	20,072,209	1,304,692	20,072,209	1,304,692

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

CHINA SXAN BIOTECH INC.
(FORMERLY ADVANCE TECHNOLOGIES INC.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
AS OF DECEMBER 31, 2007 AND 2006
(UNAUDITED)

	Six Months Ended	
	December 31,	
	2007	2006
	(Restated)	(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$1,541,565	\$1,413,166
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation	114,286	102,686
Amortization	43,629	41,089
Bad debt expense	(4,321)	-
Changes in assets and liabilities:		
Accounts receivable	1,354,335	(697,269)
Other receivables	118,292	427,304
Inventory	(3,918,049)	(201,480)
Advance to suppliers	342,522	(591,086)
Prepaid expenses	154	455
Accounts payable and accrued expenses	199,597	25,154
Income tax payable	156,341	271,431
Taxes payable	115,700	-
Total Adjustments	(1,477,514)	(621,716)
Net Cash Provided by Operating Activities	64,051	791,450
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(566)	(1,086,613)
Net Cash Used by Investing Activities	(566)	(1,086,613)