

CHINA VALVES TECHNOLOGY, INC
Form 10-Q/A
January 16, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A
(Amendment No. 1)

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the quarterly period ended March 31, 2008

OR

Transition Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number: 000-28481

CHINA VALVES TECHNOLOGY, INC.
(Exact name of registrant as specified in its charter)

Nevada	86-0891913
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

No. 93 West Xinsong Road Kaifeng City, Henan Province People's Republic of China	(Zip Code)
(Address of principal executive offices)	

(86) 378-2925211
(Registrant'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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

(Do not check if a 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 40,106,580 shares of common stock, par value \$0.001 per share, outstanding on May 13, 2008.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

CHINA VALVES TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2008 AND DECEMBER 31, 2007

A S S E T S

	March 31, 2008 (Unaudited)	December 31, 2007
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,437,073	\$ 2,773,262
Restricted cash	42,584	40,856
Notes receivable	10,710	-
Accounts receivable, net of allowance for doubtful accounts of \$490,124 and \$274,167 as of March 31, 2008 and December 31, 2007, respectively	19,979,937	16,789,383
Other receivables	5,473,550	4,638,477
Inventories	8,453,495	10,539,087
Advances on inventory purchases	1,292,583	458,699
Prepaid expenses	619,990	519,043
Total current assets	37,309,922	35,758,807
PLANT AND EQUIPMENT, net	7,584,848	7,523,788
OTHER ASSETS:		
Accounts receivable - retainage, long term	1,243,327	559,368
Advances on equipment purchases	694,936	324,858
Goodwill - purchased	20,258,489	19,449,851
Intangibles, net of accumulated amortization	438,353	435,633
Other investments, at lower of cost or market	744,190	714,485
Total other assets	23,379,295	21,484,195
Total assets	\$ 68,274,065	\$ 64,766,790

LIABILITIES AND SHAREHOLDER'S EQUITY

CURRENT LIABILITIES:

Accounts payable - trade	\$ 6,324,529	\$ 6,452,519
Short term loans	6,275,616	6,479,291
Short term loans - related parties	673,208	671,188
Other payables	6,518,254	4,435,982
Other payable - related parties	2,301,874	2,848,032
Accrued liabilities	1,623,430	1,734,679
Customer deposits	2,057,233	2,810,352

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Taxes payable	836,194	1,064,512
Total current liabilities	26,610,338	26,496,555
Long-term liabilities:		
Long term debt	1,142,400	1,096,800
Total long term liabilities	1,142,400	1,096,800
SHAREHOLDERS' EQUITY:		
Common Stock, \$0.001 par value; 300,000,000 shares authorized 40,106,500 shares and 40,000 000 issued and outstanding as of March 31, 2008 and December 31, 2007, respectively		
	40,107	40,107
Additional paid-in-capital	16,365,029	16,365,029
Statutory reserves	1,938,008	1,749,601
Retained earnings	17,416,876	15,844,953
Accumulated other comprehensive income	4,761,307	3,173,745
Total shareholders' equity	40,521,327	37,173,435
Total liabilities and shareholders' equity	\$ 68,274,065	\$ 64,766,790

CHINA VALVES TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2008 AND 2007
(Unaudited)

	2008	2007
SALES	\$ 12,982,947	\$ 7,170,852
COST OF GOODS SOLD	7,879,427	4,740,565
GROSS PROFIT	5,103,520	2,430,287
EXPENSES:		
Selling expense	1,007,326	583,250
General and administrative	1,580,088	943,639
Research and development	52,543	7,998
Total Operating Expenses	2,639,957	1,534,887
INCOME FROM OPERATIONS	2,463,563	895,400
OTHER EXPENSE (INCOME) :		
Other income, net	(91,548)	(37,974)
Interest expense, net	133,828	151,911
Total Other Expense, net	42,280	113,937
INCOME BEFORE PROVISION FOR INCOME TAXES	2,421,283	781,463
INCOME TAX EXPENSE	660,953	150,867
NET INCOME	1,760,330	630,596
OTHER COMPREHENSIVE INCOME		
Foreign currency translation gain	1,587,562	38,729
COMPREHENSIVE INCOME	\$ 3,347,892	\$ 669,325
WEIGHTED AVERAGE NUMBER OF SHARES (BASIC AND DILUTED)	40,003,550	40,000,000
EARNINGS PER COMMON SHARE (BASIC AND DILUTED)	\$ 0.04	\$ 0.02

CHINA VALVES TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Common Stock Number of shares	Par Value	Additional Paid-in capital	Retained Earnings Statutory reserves	Unrestricted	Accumulated other comprehensive income	Total
BALANCE, January 1, 2007	40,000,000	\$ 40,000	\$ 15,115,137	\$ 1,032,933	\$ 9,419,029	\$ 1,304,099	\$ 26,911,198
Net income					630,596		630,596
Adjustment to statutory reserve				63,060	(63,060)		-
Foreign currency translation adjustment						38,729	