

CHINA GEWANG BIOTECHNOLOGY, INC.
Form 10-Q
October 14, 2016

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

FORM 10-Q

[X]
QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended August 31, 2016

[]
TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File No. 0-54451

CHINA GEWANG BIOTECHNOLOGY, INC.
(Exact Name of Registrant in its Charter)

Xita 23C, Star International, No. 8 Jinsui Road, Pearl River New Town,
Guangzhou Province, P.R. China 510623
(Address of Principal Executive Offices)

Issuer's Telephone Number: 86-024-2397-4663

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 [X] 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 [X] No []

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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 [X]

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. (Check One)

Large accelerated filer__Accelerated filer__ Non-accelerated filer__ Smaller reporting company [X]_ _

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:

October 14, 2016

Common Voting Stock: 75,000,000

CHINA GEWANG BIOTECHNOLOGY, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE FISCAL QUARTER ENDED AUGUST 31, 2016
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CHINA GEWANG BIOTECHNOLOGY, INC. AND SUBSIDIARIES**CONSOLIDATED BALANCE SHEETS (IN U.S. \$)**

ASSETS	August 31, 2016 (Unaudited)	November 30, 2015
Current assets:	\$	\$
Cash	9,785,095	8,669,034
Accounts receivable	12,471,292	267,868
Inventory	122,062	156,778
Prepaid expenses	5,800,239	201,369
Total current assets	28,178,688	9,295,049
Property, plant and equipment, net	117,459	65,860
Other assets:		
Equity investment	3,610,293	-
	\$	\$
TOTAL ASSETS	31,906,440	9,360,909
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:	\$	\$
Accounts payable	4,258,281	-
Deferred revenue	85,323	-
Taxes payable	1,154,629	64,153
Accrued expenses and other payables	149,984	175,086
Loans from stockholder	256,044	166,106
Total current liabilities	5,904,261	405,345
Stockholders' equity:		
Common stock - \$0.001 par value, 100,000,000 and 75,000,000 shares authorized, 75,000,000 and 45,500,000 shares issued and outstanding as of August 31, 2016 and November 30, 2015, respectively	75,000	45,500

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Additional paid-in capital	16,980,102	6,525,743
Retained earnings	8,906,176	2,270,416
Statutory reserve fund	762,555	281,766
Other comprehensive (loss)	(906,382)	(252,022)
Stockholders' equity before noncontrolling interests	25,817,451	8,871,403
Noncontrolling interests	184,728	84,161
Total stockholders' equity	26,002,179	8,955,564
	\$	\$
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	31,906,440	9,360,909

See accompanying notes to the consolidated financial statements.

CHINA GEWANG BIOTECHNOLOGY, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME****FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2016 AND 2015 (UNAUDITED) (IN U.S. \$)**

	Three Months ended August 31,		Nine Months ended August 31,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Revenue	18,588,296	1,066,381	25,243,577	3,072,993
Cost of goods sold	(11,150,902)	(350,488)	(14,518,511)	(897,546)
Gross profit	7,437,394	715,893	10,725,066	2,175,447
Operating expenses				
Selling and marketing	2,315,620	212,242	3,235,593	540,887
General and administrative	235,273	120,383	495,212	308,637
Total operating expenses	2,550,893	332,625	3,730,805	849,524
Operating income	4,886,501	383,268	6,994,261	1,325,923
Other income (expense):				
Interest income	5,246	4,316	16,341	8,187
Other non-operating income	-	-	1,481	-
Other non-operating expense	(4,835)	-	(4,835)	-
Total other income	411	4,316	12,987	8,187
Income before provision for income taxes	4,886,912	387,584	7,007,248	1,334,110
	\$	\$	\$	\$
Provision for income taxes	1,230,889	100,544	1,770,858	338,154

See accompanying notes to the consolidated financial statements.

CHINA GEWANG BIOTECHNOLOGY, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (CONTINUED)****FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2016 AND 2015 (UNAUDITED) (IN U.S. \$)**

	Three Months Ended		Nine Months Ended	
	August 31,		August 31,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Equity in income of investee	1,735,366	-	2,143,641	-
Net income before noncontrolling interests	5,391,389	287,040	7,380,031	995,956
Noncontrolling interests	(166,925)	(13,574)	(247,920)	(45,651)
Net income attributable to common stockholders	5,224,464	273,466	7,132,111	950,305
	\$	\$	\$	\$
Earnings per common share	0.07	0.01	0.11	0.02
Weighted average shares outstanding	75,000,000	45,500,000	62,278,182	39,514,598
Comprehensive income	\$	\$	\$	\$
Net income before noncontrolling interests	5,391,389	287,040	7,380,031	995,956
Foreign currency translation adjustment	(338,017)	(314,805)	(646,801)	(317,904)
Total comprehensive income	5,053,372	(27,765)	6,733,230	678,052
Comprehensive income attributable to noncontrolling interests	(18,396)	4,916	(100,567)	(37,272)
	\$	\$	\$	\$
Net comprehensive income attributable to common stockholders	5,034,976	(22,849)	6,632,663	640,780

See accompanying notes to the consolidated financial statements.

CHINA GEWANG BIOTECHNOLOGY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE NINE MONTHS ENDED AUGUST 31, 2016 (UNAUDITED) (IN U.S. \$)

Common Stock	Additional Paid-in Capital	Retained Earnings	Noncon- trolling Interests
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