

CHINA YILI PETROLEUM CO
Form 10-Q
September 14, 2011

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

FORM 10-Q

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

For the quarterly period ended June 30, 2011

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

For the transition period from _____ to _____

Commission File No. 0-51554

China Yili Petroleum Company
(Name of Registrant in its Charter)

Nevada
(State of Other Jurisdiction of incorporation or
organization)

20-2934409
(I.R.S. Employer I.D. No.)

TONGLIAO ECONOMIC DEVELOPMENT DISTRICT, TONGLIAO F4 638229, P.R. CHINA
(Address of Principal Executive Offices)

Issuer's Telephone Number: (973) 506-9295

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. (Check One)

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

As of September 14, 2011, 29,748,348 shares of common stock, par value \$.001 per share, were outstanding.

TABLE OF CONTENTS

		Page No
Part I	Financial Information	
Item 1.	Unaudited Financial Statements :	
	Consolidated Balance Sheets – June 30, 2011 and December 31, 2010	2
	Consolidated Statements of Operations and Comprehensive Losses – for the Three and Six Months Ended June 30, 2011 and 2010 and the Period from Inception to June 30, 2011	3
	Consolidated Statements of Cash Flows – for the Six Months Ended June 30, 2011 and 2010 and the Period from Inception to June 30, 2011	4
	Notes to Condensed Consolidated Financial Statements	5
Item 2.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	10
Item 3	Quantitative and Qualitative Disclosures about Market Risk	11
Item 4	Controls and Procedures	11
Part II	Other Information	
Item 1.	Legal Proceedings	12
Items 1A.	Risk Factors	12
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	12
Item 3.	Defaults upon Senior Securities	13
Item 4.	Reserved	13
Item 5.	Other Information	13
Item 6.	Exhibits	13
Signatures		

CHINA YILI PETROLEUM COMPANY AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED BALANCE SHEETS

	June 30, 2011 (Unaudited)	December 31, 2010
ASSETS		
CURRENT ASSETS:		
Cash	\$693	\$692
Other sundry current assets	1,332	547
TOTAL CURRENT ASSETS	2,025	1,239
Property and equipment, net of accumulated depreciation	9,335,991	9,176,508
TOTAL ASSETS	\$9,338,016	\$9,177,747
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$2,186,341	\$2,143,942
Due to shareholder	401,141	378,700
Accrued expenses	740,638	648,365
TOTAL CURRENT LIABILITIES	3,328,120	3,171,007
STOCKHOLDERS' EQUITY		
Common stock, \$0.001 par value, 100,000,000 shares authorized, 29,748,348 shares issued and outstanding at June 30, 2011 and December 31, 2010	29,748	29,748
Preferred stock, \$0.001 par value, 4,700,000 shares authorized 0 shares issued and outstanding at June 30, 2011 and December 31, 2010	-	-
Preferred stock, Series A, \$0.001 par value, 300,000 shares authorized 0 shares issued and outstanding at June 30, 2011 and December 31, 2010	-	-
Additional paid-in capital	6,809,275	6,799,332
Deficit accumulated during development stage	(2,059,555)	(1,932,293)
Accumulated other comprehensive income	1,230,428	1,109,953
TOTAL STOCKHOLDERS' EQUITY	6,009,896	6,006,740

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$9,338,016	\$9,177,747
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The accompanying notes are an integral part of the consolidated financial statements

CHINA YILI PETROLEUM COMPANY AND SUBSIDIARIES
 (A DEVELOPMENT STAGE COMPANY)
 CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSSES
 (Unaudited)

	For the three months ended June 30,		For the six months ended June 30,		From Inception May 27, 2005 to June 30, 2011
	2011	2010	2011	2010	
Sales	\$-	\$-	\$-	\$-	\$-

COSTS AND EXPENSES:

Cost of sales