

Genex Pharmaceutical, Inc.
Form 10KSB/A
September 19, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 10-KSB/A

(Amendment No.1)

(Mark one)

Annual Report Under Section 13 or 15(d) of The Securities Exchange Act of 1934
for the fiscal year ended December 31, 2004

Transition Report Under Section 13 or 15(d) of The Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission file number: 333-102118

GENEX PHARMACEUTICAL, INC.

(Exact name of small business issuer as specified in its charter)

Delaware
(State or Other Jurisdiction
incorporation or organization)

98-0383571
(I.R.S. Employer I.D. No.)

1801 Guangyin Building, Youyibeilu, Hexi District,

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Tianjin City, China
(Address of principal executive offices)

300074
(Zip Code)

Issuer's telephone number

(86) 22-23370440

KS E-MEDIA HOLDINGS, INC.

(Former name, former address and former fiscal year, if changed since last report)

Securities registered under Section 12 (b) of the Exchange Act:

Title of each class
None

Name of each exchange on which registered
None

Securities registered under Section 12(g) of the Exchange Act:

\$0.0001 Par Value Common Stock
(Title of Class)

Check whether the issuer has (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period the Company was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of Company's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB.

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Securities Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

The registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes No

The issuer's revenue for the six month period ended June 30, 2006 was \$1,138,834.

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As of September 8, 2006, the registrant had 3,212,232 shares of Common Stock held by non-affiliates, and the aggregate market value of the common shares held by non-affiliates was approximately \$449,712. This calculation is based upon the closing sale price of \$0.14 per share on September 8, 2006.

As of September 8, 2006, there were 17,845,732 shares of Common Stock issued and outstanding.

DOCUMENT INCORPORATED BY REFERENCE

None.

Transitional Small Business Disclosure Format (check one): Yes No

EXPLANATORY NOTE

Genex Pharmaceutical, Inc. (“Genex”) hereby amends its Annual Report on Form 10-KSB for the fiscal year ended December 31, 2004 (the “Original Form 10-KSB”) (filed on May 13, 2005) as set forth in this Annual Report on Form 10-KSB/A (Amendment No. 1) (this Form 10-KSB/A).

This Form 10-KSB/A is being filed to include a paragraph in Note 1b): Ownership of a PRC Subsidiary which states that the Company has not received regulatory approval from the relevant authorization for the acquisition of its wholly subsidiary Tiajin Zhongjin Biology Development Co. Ltd. (TZBD). The Company has, however, entered into a trusteeship agreement with the legal owners of TZBD and a management agreement with TZBD whereby the shares of TZBD are being held for the benefits of the Company.

We have obtained a revised Report of Independent Registered Public Accounting Firm to clarify periods covered by its opinion. The above amendments have been updated in the Form 10-KSB for the year ended December 31, 2005 and the Forms 10-QSB for the 3-month periods ended March 31, 2006 and June 30, 2006, respectively. No other changes are being made to the Original Form 10-KSB by means of this Form 10-KSB/A.

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All other schedules are omitted because the required information either is not applicable or is not presented in amounts sufficient to require submission of the schedule or because the information required is included in the Consolidated Financial Statements and Notes thereto.	

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Genex Pharmaceutical, Inc.

We have audited the accompanying consolidated balance sheet of Genex Pharmaceutical, Inc. and its subsidiary as of December 31, 2004 and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the two years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Genex Pharmaceutical, Inc. and its subsidiary as of December 31, 2004 and the consolidated results of their operations and their cash flows for the two years then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1(b), the Company has not received regulatory approval from the relevant authorities for the acquisition of its wholly owned subsidiary Tianjin Zhongjin Biology Development Co., Ltd. ("TZBD"). The Company has, however, entered into a trusteeship agreement with the legal owners of TZBD and a management agreement with TZBD as detailed in Note 1(b), whereby the shares of TZBD are being held for the benefits of the Company.

Kabani & Company, Inc.

Huntington Beach, California

May 13, 2005, except for note 1 (b) as to which the date is June 30, 2006

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GENEX PHARMACEUTICAL, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET

	December 31, 2004
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 325,995
Accounts receivables, net	688,787
Inventories	522,753
Due from related parties	1,170,700
Total current assets	2,708,235
Property, plant and equipment, net	231,226
Total assets	\$ 2,939,461
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES:	
Accounts payable and accrued expenses	\$ 200,001
Advances from customers	76,149
Due to shareholder	27,264
Due to related parties	23,071
Total current liabilities	326,485
SHAREHOLDERS' EQUITY	
Preferred Stock, \$0.0001 par value, 5,000,000 shares authorized, none issued and outstanding	-
Common Stock, \$0.0001 par value; 30,000,000 shares authorized, 17,845,732 shares issued and outstanding	1,785
Additional paid-in capital	1,146,945
Statutory reserves	219,637
Retained earnings	1,244,609
Total shareholders' equity	2,612,976
	\$ 2,939,461

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

GENEX PHARMACEUTICAL, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	2004	2003
NET REVENUE	\$ 2,350,050	\$ 1,221,903
COST OF REVENUE	(282,646)	(212,629)
GROSS PROFIT	2,067,404	1,009,274
OPERATING EXPENSES		
Selling expenses	(528,427)	(280,160)
General and administrative expenses	(546,859)	(285,362)
Total operating expenses	(1,075,286)	(565,522)
INCOME FROM OPERATIONS	992,118	443,752
OTHER INCOME (EXPENSES)		
Interest income, net	22,646	7,233
Other income (expenses), net	(1,503)	-
Total other income	21,143	7,233
NET INCOME	\$ 1,013,261	\$ 450,985
Net income per share - basic and diluted	\$ (0.06)	\$ (0.03)
Weighted average number of shares outstanding - basic and diluted		
	17,845,732	14,633,500

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

GENEX PHARMACEUTICAL, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	Number of shares	Amount	Additional paid-in capital	Statutory reserves	Retained earnings	Total stockholders' equity
Balance at January 1, 2003	-	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance of stock for cash	14,633,500	1,464	1,147,266	-	-	1,148,730
Recapitalization on reverse acquisition	3,212,232	321	(321)	-	-	-
Net income for the period ended December 31, 2003	-	-	-	-	450,985	450,985
Allocation to statutory reserves	-	-	-	67,648	(67,648)	-
Balance, December 31, 2003	17,845,732	1,785	1,146,945	67,648	383,337	1,599,715
Net income for the year ended December 31, 2004	-	-	-	-	1,013,261	1,013,261
Allocation to statutory reserves	-	-	-	151,989	(151,989)	-
Balance, December 31, 2004	17,845,732	\$ 1,785	\$ 1,146,945	\$ 219,637	\$ 1,244,609	\$ 2,612,976

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

GENEX PHARMACEUTICAL, INC. AND SUBSIDIARY
 CONSOLIDATED STATEMENTS OF CASH FLOW
 FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	2004		2003
Cash flows from operating activities:			
Net income	\$ 1,013,261	\$	450,985
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	58,593		21,647
Changes in operating assets and liabilities:			
Increase in accounts and other receivable	(280,582)		(408,204)
Decrease in inventories	44,980		(567,733)
Decrease in amount due from related parties	(790,987)		