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PAY88
Form 10QSB/A
May 25, 2006

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB/A

(Mark One)

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

For the quarter ended March 31, 2006

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

For the transition period from _____ to _____

Commission File Number: 333-125581

PAY88, INC.

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

Nevada

(State of incorporation)

20-3136572

(IRS Employer ID Number)

1053 North Barnstead Road, Barnstead, NH 03225

(Address of principal executive offices)

(603) 776-6044

(Issuer's telephone number)

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

Check whether the issuer (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 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 ☐

Number of shares of common stock outstanding as of May 24, 2006: 10,000,000 shares of common stock.

Transitional Small Business Format Yes ☐ No ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

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EXPLANATORY NOTE

WE ARE FILING THIS AMENDMENT TO OUR QUARTERLY REPORT ON FORM 10-QSB FOR THE QUARTER ENDED MARCH 31, 2006 FOR THE PURPOSE OF INCLUDING HEREIN OUR FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2006, BECAUSE SUCH FINANCIAL STATEMENTS WERE INADVERTENTLY OMITTED FROM THE QUARTERLY REPORT, WHICH INCLUDED INSTEAD OUR FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005.

FOR CONVENIENCE AND EASE OF REFERENCE, WE ARE ONLY FILING THE FINANCIALS OF THIS QUARTERLY REPORT WITH THE APPLICABLE CHANGES. ACCORDINGLY, THIS AMENDMENT TO SUCH REPORT SHOULD BE READ IN CONJUNCTION WITH OUR QUARTERLY REPORT FOR THE QUARTER ENDED MARCH 31, 2006 AND WITH OUR SUBSEQUENT FILINGS WITH THE SEC.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

PAY88, INC.

FINANCIAL STATEMENTS

MARCH 31, 2006

PAY88, INC.
(A DEVELOPMENT STAGE COMPANY)
CONDENSED BALANCE SHEET
MARCH 31, 2006
(Unaudited)

ASSETS

Current Assets:	
Cash	\$ 3,026

Total Current Assets	3,026

Total Assets	\$ 3,026
	=====

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LIABILITIES AND STOCKHOLDERS' DEFICIENCY

Current Liabilities:		
Accrued Liabilities		\$ 12,048
Loans Payable - Related Party		50,214

Total Current Liabilities		62,262

Long-Term Debt:		
Note Payable - Related Party		80,385

Total Liabilities		142,647

Commitments and Contingencies		
Stockholders' Deficiency:		
Preferred Stock, \$.001 par value; 5,000,000 shares authorized, none issued and outstanding		--
Common Stock, \$.001 par value; 100,000,000 shares authorized, 10,000,000 shares issued and outstanding		10,000
Additional Paid-In Capital		38,001
Deficit Accumulated During the Development Stage		(187,622)

Total Stockholders' Deficiency		(139,621)

Total Liabilities and Stockholders' Deficiency		\$ 3,026
		=====

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

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PAY88, INC. (A DEVELOPMENT STAGE COMPANY) CONDENSED STATEMENT OF OPERATIONS (Unaudited)

	For the Three Months Ended March 31, 2006 -----	For the Period March 23, 2005 (Inception) To March 31, 2005 -----	For the Period March 23, 2005 (Inception) To March 31, 2006 -----
Net Revenues	\$ --	\$ --	\$ --
	-----	-----	-----
Costs and Expenses:			
Consulting Fees	--	--	121,000
Professional Fees	11,283	--	50,525
Other General and			

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Administrative Expenses	4,770	20	12,649
	-----	-----	-----
Total Costs and Expenses	16,053	20	184,174
	-----	-----	-----
Loss from Operations before Other Income (Expense)	(16,053)	(20)	(184,174)
	-----	-----	-----
Other Income (Expense) Interest Expense - Related Party	(1,508)	--	(3,448)
	-----	-----	-----
Total Other Income (Expense)	(1,508)	--	(3,448)
	-----	-----	-----
Net Loss	\$ (17,561)	\$ (20)	\$ (187,622)
	=====	=====	=====
Basic and Diluted Loss Per Share	\$.00	\$.00	
	=====	=====	
Weighted Average Basic and Diluted Shares Outstanding	10,000,000	7,998,000	
	=====	=====	

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

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PAY88, INC. (A DEVELOPMENT STAGE COMPANY) CONDENSED STATEMENT OF CASH FLOWS (Unaudited)

	For the Three Months Ended March 31, 2006	For the Period March 23, 2005 (Inception) To March 31, 2005
	-----	-----
Cash Flows from Operating Activities:		
Net Loss	\$ (17,561)	\$ (20)
Adjustments to Reconcile Net Loss to Net Cash (Used) by Operating Activities:		
Changes in Assets and Liabilities:		

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(Increase) in Prepaid Consulting Fees	--	(120,000)
Increase (Decrease) in Accrued Liabilities	(675)	110,000

Net Cash (Used) by Operating Activities	(18,236)	(10,020)
	-----	-----
Cash Flows from Investing Activities:	--	--
	-----	-----
Cash Flows from Financing Activities:		
Proceeds from Shareholder Advances	14,214	3,330
Proceeds from Sale of Common Stock	--	8,001
	-----	-----
Net Cash Provided by Financing Activities	14,214	11,331
	-----	-----
Increase (Decrease) in Cash	(4,022)	1,311
Cash - Beginning of Period	7,048	--
	-----	-----
Cash - End of Period	\$ 3,026	\$ 1,311
		=====
Supplemental Disclosures of Cash Flow Information:		
Interest Paid	\$ --	\$ --
	=====	=====
Income Taxes Paid	\$ --	\$ --
	=====	=====
Supplemental Disclosure of Non-Cash Financing Activities:		
Reclassification of Shareholder Advances to Note Payable - Related Party	\$ --	\$ --
	=====	=====

The accompanying notes are an integral par of these financial statements.

PAY88, INC. (A DEVELOPMENT STAGE COMPANY) NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

NOTE 1 - Basis of Presentation

In the opinion of the Company's management, the accompanying unaudited condensed financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the information set forth therein. These financial statements are condensed and therefore do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial

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statements.

Results of operations for interim periods are not necessarily indicative of the results of operations for a full year.

The Company incurred a net loss of \$17,561 for the three months ended March 31, 2006. In addition, the Company had a working capital deficiency of \$59,236 and a stockholders' deficit of \$139,621 at March 31, 2006. These factors raise substantial doubt about the Company's ability to continue as a going concern.

There can be no assurance that sufficient funds will be generated during the next year or thereafter from operations or that funds will be available from external sources such as debt or equity financings or other potential sources. The lack of additional capital could force the Company to curtail or cease operations and would, therefore, have a material adverse effect on its business. Furthermore, there can be no assurance that any such required funds, if available, will be available on attractive terms or that they will not have a significant dilutive effect on the Company's existing stockholders.

The accompanying condensed financial statements do not include any adjustments related to the recoverability or classification of asset-carrying amounts or the amounts and classifications of liabilities that may result should the Company be unable to continue as a going concern.

NOTE 2 - Note and Loans Payable - Related Party

Loans payable to the Company's CEO represents advances bearing interest at 5% per annum that are payable on demand. Interest expense for the three months ended March 31, 2006 was \$504.

Note payable to the Company's CEO bears interest at 5% per annum and is payable on August 31, 2008. Interest expense for the three months ended March 31, 2006 was \$1,004.

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PAY88, INC.

(A DEVELOPMENT STAGE COMPANY)

NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

NOTE 3 - Commitments and Contingencies

On August 3, 2005, the Company entered into a five year agreement with Chongqing Yahu Information Limited ("Yahu"). Yahu is a Chinese corporation formed by Mr. Tao Fan, a brother of Mr. Guo Fan, a significant stockholder, director and officer of the Company. The Agreement provides for two services to be provided to the Company by Yahu. The first service is the provision of all proprietary software needed to effectuate fund transfers between the U.S. and China. The second service to be provided is technical assistance in the areas of installation and future product support. This support includes assistance with all technical aspects of the software as well as problem resolution and general inquiries. Both of these services are to be provided to the Company by Yahu for a licensing fee that is based upon 20% of the gross fund transfer revenues. The fee is payable on a quarterly basis. The use of the software will enable the Company to provide wire transfers from the U.S. to China.

NOTE 4 - Related Party Transactions

Rent

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The Company rents office space owned by an officer of the Company for \$200 per month on a month to month basis. Rent expense amounted to \$600 for the three months ended March 31, 2006 and \$2,400 for the period April 1, 2005 to March 31, 2006.

Accrued Liabilities

Included in accrued liabilities at March 31, 2006 is accrued interest to the Company's CEO in the amount of \$3,448 and accrued rent to the Company's Secretary in the amount of \$2,400.

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SIGNATURES

In accordance with to requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: May 24, 2006

PAY88, INC.

By: /s/ Guo Fan

Name: Guo Fan
Title: President, Chief Executive
Officer, and Director (Principal
Executive Officer and Principal
Financial Officer)

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