

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

FORM 10-QSB
Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934.

For the quarter ended **June 30, 2003**

Commission file number **333-72230**

ROYAL PHOENIX
(Exact name of registrant as specified in its charter)

NEVADA
(State or other jurisdiction of
incorporation or organization)

88-0475757
(I.R.S. Employer
Identification No.)

2950 E. Flamingo Rd, Suite B-A2
Las Vegas, Nevada
(Address of principal executive offices)

89121
(Zip Code)

(702) 866-5835
(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 X No

As of July 30, 2003 there were 9,600,000 shares of common stock outstanding.

Transitional Small Business Disclosure Format (check one)

Yes No X

ROYAL PHOENIX
JUNE 30, 2003

INDEX

PART I - FINANCIAL INFORMATION		Page No.
Item 1.	Financial Statements	
	Balance Sheet as of June 30, 2003 and December 31, 2002	3
	Statement of Operations for the three and six months ended June 30, 2003 and 2002	4
	Statement of Cash Flows for the six months ended June 30, 2003 and 2002	5
	Notes to Unaudited Financial Statements	6-7
Item 2.	Plan of Operation	8-10
Item 3	Controls and Procedures	10
PART II - OTHER INFORMATION		
Item 1.	Legal Proceedings	10
Item 2.	Changes in Securities	10
Item 3.	Defaults Upon Senior Securities	11
Item 4.	Submission of Matter to a Vote of Security Holders	11
Item 5.	Other Information	11
Item 6.	Exhibits and Reports on Form 8-K	11
SIGNATURES		12

ROYAL PHOENIX
(a Development Stage Company)
BALANCE SHEET

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Our consolidated financial statements are stated in United States Dollars (US\$) and are prepared in accordance with United States Generally Accepted Accounting Principles.

	June 30, 2003	December 31,
	(unaudited)	2002
	(unaudited)	(audited)
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 25,351	\$ 1,351
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	25,351	1,351
	<hr/>	<hr/>
	\$ 25,351	\$ 1,351
	<hr/>	<hr/>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES		
Notes Payable	\$ 1,500	\$ 0
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	1,500	0
	<hr/>	<hr/>
STOCKHOLDERS' EQUITY		
Preferred stock, \$.001 par value authorized 5,000,000; no shares issued and outstanding as of 6/30/03 and 12/31/02	0	0
Common stock, \$.001 par value, authorized 20,000,000 shares; 9,600,000 shares issued and outstanding as of 6/30/03 and 7,100, 000 shares issued and outstanding as of 12/31/02 retroactively restated	9,600	7,100
Additional paid-in capital	36,700	14,200
(Deficit) accumulated during development stage	(22,449)	(19,949)
TOTAL STOCKHOLDER'S EQUITY	23,851	1,351
	<hr/>	<hr/>
	\$ 25,351	\$ 1,351
	<hr/>	<hr/>

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

ROYAL PHOENIX
(a Development Stage Company)
STATEMENT OF OPERATIONS
UNAUDITED

	Three Months Ended June 30, 2003	Three Months Ended June 30, 2002	Six Months Ended June 30, 2003	Six Months Ended June 30, 2002	For the Period October 17, 2000,(Inception) to June 30, 2003
Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
EXPENSES					
General and Administrative	500	0	2,500	56	22,449
TOTAL EXPENSES	500	0	2,500	56	22,449
NET (LOSS)	\$ (500)	\$ (0.00)	\$ (2,500)	\$ (56)	\$ (22,449)
Weighted average number of common shares outstanding basic and fully diluted	9,600,000	7,100,000	9,600,000	7,100,000	
Net (loss) per weighted shares-basic and fully diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	

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

ROYAL PHOENIX
(a Development Stage Company)
STATEMENT OF CASH FLOWS
UNAUDITED

	Six Months Ended June 30, 2003	Six Months Ended June 30, 2002	For the Period October 17, 2000,(Inception) to June 30, 2003
Cash Flows from Operating Activities			
Net loss	\$ (2,500)	\$ (56)	\$ (22,449)
Shares issued for services	--	--	7,500
Adjustment to reconcile net loss to net cash used by operations			
Note Payable	1,500	--	1,500
Net cash used in operating activities	(1,000)	(56)	(13,449)
Cash Flows from Investing Activities	--	--	--
Cash Flows from Financing Activities			
Issuance of common stock	25,000	--	38,800
Net increase in cash	24,000	(56)	25,351
Cash, beginning of period	1,351	2,907	0
Cash, end of period	\$ 25,351	\$ 2,851	\$ 25,351
Supplemental Disclosure			
Interest Paid	--	--	--
Taxes Paid	--	--	--

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

ROYAL PHOENIX
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS

Note 1 – Basis of Presentation

The consolidated interim financial statements included herein, presented in accordance with United States generally accepted accounting principles and stated in US dollars, have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading.

These statements reflect all adjustments, consisting of normal recurring adjustments, which in the opinion of management, are necessary for fair presentation of the information contained therein. It is suggested that these consolidated interim financial statements be read in conjunction with the financial statements of the Company for the year ended December 31, 2002 and notes thereto included in the Company's 10-KSB annual report. The Company follows the same accounting policies in the preparation of interim reports.

Results of operation for the interim period are not indicative of annual results.

Note 2 – Stockholder's Equity

On July 30, 2003, the Company approved a forward stock split on the basis of 10 for 1. All references to the number of shares issued and outstanding have been retroactively restated to reflect the forward split.

During June 2003, the Company completed a public offering on Form SB-2 registered under the Securities Act of 1933, as amended. The Company sold 250,000 shares of its \$0.001 par value common stock at a price of \$0.10 per share for a total amount raised of \$25,000.

Note 3 – Going concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern which contemplates the recoverability of assets and the satisfaction of liabilities in the normal course of business. As noted above, the Company is in the development stage and, accordingly, has not yet generated revenues from operations. Since its inception, the Company has been engaged substantially in financing activities and developing its product line, setting up its e-commerce website, and incurring substantial costs and expenses. As a result, the Company incurred accumulated net losses from October 17, 2000 (inception) through the period ended June 30, 2003 of \$(22,449). In addition, the Company's development activities since inception have been financially sustained through equity financing.

The ability of the Company to continue as a going concern is dependent upon its ability to raise additional capital from the sale of common stock and, ultimately, the achievement of significant operating revenues. The accompanying financial statements do not include any adjustments that might be required should the Company be unable to recover the value of its assets or satisfy its liabilities.

ROYAL PHOENIX
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS

Note 4 – Related party transactions

The officer and director of the Company is involved in other business activities and may in the future, become involved in other business opportunities. If a specific business opportunity becomes available, such person may face a conflict in selecting between the Company and its other business interests. The Company has not formulated a policy for the resolution of such conflicts.

Item 2. Plan of Operation.

The following discussion and analysis should be read in conjunction with the Company's unaudited financial statements and the notes thereto contained elsewhere in this filing.

Overview

Royal Phoenix, which was incorporated in Nevada in October 2000, is a Development Stage Company, engaged in the business of marketing and distributing Royal Phoenix, a line of herbal products. The Royal Phoenix herbal product line was developed by Desert Health Products several years ago, however, the product line, after development, was not marketed.

We have a limited operating history and have not generated revenues from the sale of any products. Our company and products are the result of an agreement, which was entered into between Royal Phoenix and Desert Health Products, which resulted in the separation from Desert Health Products of the Royal Phoenix line of herbal products developed by Desert Health Products. Our activities have been limited to the negotiation of a license agreement and preliminary market analysis. Consequently, we have incurred the expenses of start-up. Future operating results will depend on many factors, including our ability to raise adequate working capital, demand for our products, the level of competition and our ability to deliver products while maintaining quality and controlling costs. As a result of our lack of liabilities, our current cash position allows us to maintain a status quo position for a period of approximately six months. However; this position will not allow us to pursue any significant business opportunity.

Plan of Operation

Since our incorporation on October 17, 2000, we have not been engaged in any significant operations nor have we had any revenues, as we are in the development stage. Our only recent activities include organization of the Company, the negotiation and execution of the license agreement, and research over the Internet to determine methods of acquiring market share presence without significant start up expenses. Our goal is to distribute our own product line of herbal products, primarily through Internet generated sales, at the most cost efficient method.

During the next 12 months we plan to focus our efforts on the development of our marketing program and establishing our website, royalphoenix.com, for secure retail purchases.

Satisfaction of our cash obligations for the next 12 months. Our plan of operation is to establish an operational website as soon as practical. When having established our website as operational, we are to commence advertising in selected periodicals, newspapers, and the Internet through banner advertising.

Summary of any product research and development that we will perform for the term of the plan. We do not anticipate performing any significant product research and development under our plan of operation. In lieu of product research and development we anticipate maintaining control over our advertising, especially on the Internet, to assist us in determining the allocation of our limited advertising dollars.

Expected purchase or sale of plant and significant equipment. We do not anticipate the purchase or sale of any plant or significant equipment, as such items are not required by us at this time or in the next 12 months.

Significant changes in number of employees. The number of employees required to operate our business is currently one part time individual. After we commence generating revenues based upon the expenditures of our advertising dollars, and word of mouth advertising, and at the end of the initial 12 month period, our plan of operation anticipates our requiring additional capital to hire at least one full time person.

Liquidity and Capital Resources

Since inception, we have financed our cash flow requirements through issuance of common stock. As we expand our activities, we may continue to experience net negative cash flows from operations, pending receipt of sales revenues. Additionally, we anticipate obtaining additional financing to fund operations through common stock offerings and bank borrowings, to the extent available, or to obtain additional financing to the extent necessary to augment our working capital.

We anticipate that we will incur operating losses in the next twelve months. Our lack of operating history makes predictions of future operating results difficult to ascertain. Our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly companies in new and rapidly evolving markets. Such risks for us include, but are not limited to, an evolving and unpredictable business model and the management of growth. To address these risks, we must, among other things, obtain a customer base, implement and successfully execute our business and marketing strategy, continually develop and upgrade our product packaging, provide order fulfillment through the Internet, respond to competitive developments, and attract, retain and motivate qualified personnel. There can be no assurance that we will be successful in addressing such risks, and the failure to do so can have a material adverse effect on our business prospects, financial condition and results of operations.

Over the next twelve months we believe that existing capital and anticipated funds from operations will not be sufficient to sustain operations and planned expansion. Consequently, we will be required to seek additional capital in the future to fund growth and expansion through our current registered offering and additional equity or debt financing or credit facilities. No assurance can be made that such financing would be available, and if available it may take either the form of debt or equity. In either case, the financing could have a negative impact on our financial condition and our Stockholders.

Going Concern

The consolidated financial statements included in this filing have been prepared in conformity with generally accepted accounting principles that contemplate the continuance of the Company as a going concern. The Company's cash position may be inadequate to pay all of the costs associated with production and marketing. Management intends to use borrowings and security sales to mitigate the effects of its cash position, however no assurance can be given that debt or equity financing, if and when required will be available. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue existence.

Off-Balance Sheet Arrangements

The Company does not maintain off-balance sheet arrangements nor does it participate in non-exchange traded contracts requiring fair value accounting treatment.

Item 3. Controls and Procedures

- (a) Under the supervision and with the participation of our management we evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined under Rule 13a-14(c) promulgated under the Securities Exchange Act of 1934, as amended, within 90 days prior to the filing date of this report. Based on his evaluation, our sole officer concluded that our disclosure controls and procedures are effective.
- (b) There have been no significant changes (including corrective actions with regard to significant deficiencies or material weaknesses) in our internal controls or in other factors that could significantly affect these controls subsequent to the date of the evaluation referenced in paragraph (a) above.

Forward-Looking Statements and Associated Risks

This Quarterly Report on Form 10-QSB contains forward-looking statements. These forward-looking statements are based largely on the Company's expectations and are subject to a number of risks and uncertainties, many of which are beyond the Company's control, including, but not limited to, economic, competitive and other factors affecting the Company's operations, markets, products and services, expansion strategies and other factors discussed elsewhere in this report and the documents filed by the Company with the Securities and Exchange Commission. Actual results could differ materially from these forward-looking statements. In light of these risks and uncertainties, there can be no assurance that the forward-looking information contained in this report will in fact prove accurate. The Company does not undertake any obligation to revise these forward-looking statements to reflect future events or circumstances.

PART II--OTHER INFORMATION

Item 1. Legal Proceedings.

None

Item 2. Changes in Securities.

During June 2003, the company completed a public offering on Form SB-2 registered under the Securities Act of 1933. The Company sold 250,000 shares of its \$0.001 par value common stock at a price of \$0.10 per share for a total amount raised of \$25,000.

Use of Proceeds From Sales of Registered Securities

Our Registration Statement on Form SB- 2 (File No. 333-72230), related to our initial public offering, was declared effective by the SEC on December 30, 2002. A total of 250,000 shares of our Common Stock was registered with the SEC with an aggregate offering price of \$25,000. All of these shares were registered on our behalf. The offering commenced in June 2003, and all shares of common stock offered were sold for the aggregate offering price directly by the Company with no commissions paid on funds raised.

We incurred offering expenses of approximately \$6,000 in connection with the offering. Thus the net offering proceeds to us (after deducting offering expenses) were approximately \$19,000. No offering expenses were paid directly or indirectly to any of our directors or officers (or their associates), persons owning ten percent (10%) or more of any class of our equity

securities or to any other affiliates.

As of June 30, 2003, none of the net proceeds had been used. The remaining net proceeds remain in the Company's operating account pending future use.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Submission of Matter to a Vote of Security Holders.

None

Item 5. Other Information.

On July 30, 2003, the Company approved a forward stock split on the basis of 10 for 1. All references to the number of shares issued and outstanding have been retroactively restated to reflect the forward split.

Item 6. Exhibits and Reports on Form 8-K.

Ex 31 -Certification pursuant to Section 302 of the Sarbanes-Oxley Act

Ex 32 -Certification pursuant to Section 906 of the Sarbanes-Oxley Act

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ROYAL PHOENIX

By: /s/ Joseph Scott Wilson
Joseph Scott Wilson, President

Date: August 4, 2003

EXHIBIT 31

CERTIFICATION

I, Joseph Scott Wilson, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Royal Phoenix;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. I am the sole officer and director of the registrant and I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the small business issuer's auditors of the small business issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: August 4, 2003

/s/ Joseph Scott Wilson
Joseph Scott Wilson, President
Chief Accounting Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Royal Phoenix (the "Company") on Form 10-QSB for the period ended June 30, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph Scott Wilson, President and Chief Accounting Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph Scott Wilson
Joseph Scott Wilson
President and Chief Accounting Officer
August 4, 2003