

China XD Plastics Co Ltd
Form 10-Q
August 06, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2015

or

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

For the transition period from ____ to ____

Commission File Number: 000-53131

CHINA XD PLASTICS COMPANY LIMITED
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or organization)

04-3836208
(I.R.S. Employer Identification No.)

No. 9 Dalian North Road, Haping Road Centralized Industrial Park,
Harbin Development Zone, Heilongjiang Province, PRC 150060
(Address of principal executive offices) (Zip Code)

86-451-84346600
(Registrant's telephone number, including area code)

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

Indicate by check 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 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

Edgar Filing: China XD Plastics Co Ltd - Form 10-Q

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.

Large accelerated filer	Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)	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 August 3, 2015, the registrant had 49,151,796 shares of common stock, par value US\$0.0001 per share, outstanding.

TABLE OF CONTENTS

	PAGE
PART I. FINANCIAL INFORMATION	2
Item 1. Financial Statements	2
Unaudited Condensed Consolidated Balance Sheets	2
Unaudited Condensed Consolidated Statements of Comprehensive Income	3
Unaudited Condensed Consolidated Statements of Cash Flows	4
Notes to the Unaudited Condensed Consolidated Financial Statements	5
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	16
Item 3. Quantitative and Qualitative Disclosures About Market Risk	29
Item 4. Controls and Procedures	29
PART II. OTHER INFORMATION	30
Item 1. Legal Proceedings	30
Item 1A. Risk Factors	30
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	30
Item 3. Defaults Upon Senior Securities	30
Item 4. Mine Safety Disclosures	30
Item 5. Exhibits	30
Signatures	31

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

CHINA XD PLASTICS COMPANY LIMITED AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2015 US\$	December 31, 2014 US\$
ASSETS		
Current assets:		
Cash and cash equivalents	52,702,280	45,456,612
Restricted cash	43,587,432	12,545,772
Time deposits	231,779,552	238,532,702
Accounts receivable, net	211,803,068	203,998,138
Amounts due from a related party	-	220,262
Inventories	287,072,414	249,797,244
Prepaid expenses and other current assets	9,384,107	11,253,828
Total current assets	836,328,853	761,804,558
Property, plant and equipment, net	315,022,041	318,324,600
Land use rights, net	18,707,621	11,896,542
Prepayments to equipment and construction suppliers	294,418,527	182,259,578
Other non-current assets	40,904,920	25,499,744
Total assets	1,505,381,962	1,299,785,022
LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term bank loans, including current portion of long-term bank loans	217,468,948	99,735,422
Bills payable	50,561,363	43,389,928
Accounts payable	190,971,174	152,073,014
Amounts due to related parties	141,834	-
Income taxes payable	4,864,511	3,269,115
Accrued expenses and other current liabilities	25,534,299	24,484,583
Total current liabilities	489,542,129	322,952,062
Long-term bank loans, excluding current portion	130,407,653	174,274,446
Notes payable	148,750,658	148,617,057
Income taxes payable	18,460,593	14,025,825
Deferred income tax liabilities	15,797,125	16,951,551
Deferred income	28,972,444	-
Total liabilities	831,930,602	676,820,941
Redeemable Series D convertible preferred stock	97,576,465	97,576,465
Stockholders' equity:		
Series B preferred stock	100	100
Common stock, US\$0.0001 par value, 500,000,000 shares authorized, 49,182,284 shares and 49,172,796 shares issued, 49,161,284 shares and 49,151,796 shares outstanding as of June 30, 2015 and December 31, 2014, respectively	4,917	4,916

Edgar Filing: China XD Plastics Co Ltd - Form 10-Q

Treasury stock, 21,000 shares at cost	(92,694) (92,694)
Additional paid-in capital	81,262,157	80,875,787	
Retained earnings	482,706,335	431,823,706	
Accumulated other comprehensive income	11,994,080	12,775,801	
Total stockholders' equity	575,874,895	525,387,616	
Commitments and contingencies	-	-	
Total liabilities, redeemable convertible preferred stock and stockholders' equity	1,505,381,962	1,299,785,022	

See accompanying notes to unaudited condensed consolidated financial statements.

2

CHINA XD PLASTICS COMPANY LIMITED AND SUBSIDIARIES
 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three-Month Period Ended		Six-Month Period Ended June	
	June 30,		30,	
	2015	2014	2015	2014
	US\$	US\$	US\$	US\$
Revenues	265,412,742	264,208,995	487,339,137	487,789,670
Cost of revenues	(213,919,846)	(211,909,052)	(387,203,965)	(388,841,389)
Gross profit	51,492,896	52,299,943	100,135,172	98,948,281
Selling expenses	(438,041)	(135,625)	(734,861)	(257,953)
General and administrative expenses	(6,592,032)	(4,553,144)	(11,556,790)	(8,349,508)