

China XD Plastics Co Ltd
Form 10-Q
November 09, 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 September 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

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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.

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 November 3, 2015, the registrant had 49,323,284 shares of common stock, par value US\$0.0001 per share, outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	September 30, 2015 US\$	December 31, 2014 US\$
ASSETS		
Current assets:		
Cash and cash equivalents	51,096,130	45,456,612
Restricted cash	44,173,850	12,545,772
Time deposits	192,346,947	238,532,702
Accounts receivable, net	246,557,049	203,998,138
Amounts due from a related party	-	220,262
Inventories	293,185,043	249,797,244
Prepaid expenses and other current assets	78,510,277	11,253,828
Total current assets	905,869,296	761,804,558
Property, plant and equipment, net	315,057,485	318,324,600
Land use rights, net	25,037,517	11,896,542
Prepayments to equipment and construction suppliers	288,059,709	182,259,578
Other non-current assets	30,699,136	25,499,744
Total assets	1,564,723,143	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	265,754,058	99,735,422
Bills payable	44,142,075	43,389,928
Accounts payable	221,909,111	152,073,014
Amounts due to related parties	319,681	-
Income taxes payable	4,155,317	3,269,115
Accrued expenses and other current liabilities	27,172,856	24,484,583
Total current liabilities	563,453,098	322,952,062
Long-term bank loans, excluding current portion	113,915,038	174,274,446
Notes payable	148,820,175	148,617,057
Income taxes payable	18,846,254	14,025,825
Deferred income tax liabilities	14,808,266	16,951,551
Deferred income	40,887,465	-
Total liabilities	900,730,296	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, 49,344,284 shares and 49,172,796 shares issued, 49,323,284 shares and 49,151,796 shares outstanding as of September 30, 2015 and December 31, 2014, respectively	4,932	4,916
Treasury stock, 21,000 shares at cost	(92,694) (92,694
Additional paid-in capital	81,499,400	80,875,787
Retained earnings	488,740,833	431,823,706

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Accumulated other comprehensive income (loss)	(3,736,189)	12,775,801
Total stockholders' equity	566,416,382		525,387,616
Commitments and contingencies	-		-
Total liabilities, redeemable convertible preferred stock and stockholders' equity	1,564,723,143		1,299,785,022

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Three-Month Period Ended		Nine-Month Period Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
	US\$	US\$	US\$	US\$
Revenues	239,101,063	315,746,209	726,440,200	803,535,879
Cost of revenues	(209,776,434)	(250,378,605)	(596,980,399)	(639,219,994)
Gross profit	29,324,629	65,367,604	129,459,801	164,315,885
Selling expenses	(356,417)	(177,287)	(1,091,278)	(435,240)
General and administrative expenses	(5,763,886)	(5,413,088)	(17,320,676)	(13,762,596)