

China XD Plastics Co Ltd
Form 10-Q
November 12, 2013

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, 2013

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 ☐

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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 ☐

Smaller reporting company ☒

(Do not check if a 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 8, 2013, the registrant had 47,868,772 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	14
Item 3. Quantitative and Qualitative Disclosures About Market Risk	25
Item 4. Controls and Procedures	25
PART II. OTHER INFORMATION	26
Item 1. Legal Proceedings	26
Item 1A. Risk Factors	26
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	26
Item 3. Defaults Upon Senior Securities	26
Item 4. Mine Safety Disclosures	26
Item 5. Exhibits	26
Signatures	27

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	September 30, 2013 US\$	December 31, 2012 US\$
ASSETS		
Current assets:		
Cash and cash equivalents	94,257,033	83,822,602
Restricted cash	5,678,105	16,915,359
Time deposits	180,555,556	47,955,923
Accounts receivable, net	265,245,509	143,843,764
Amounts due from related parties	4,085	219,360
Inventories	119,131,396	78,263,071
Prepaid expenses and other current assets	5,137,641	6,090,232
Total current assets	670,009,325	377,110,311
Property, plant and equipment, net	215,669,167	223,780,133
Land use rights, net	10,547,002	10,524,451
Other non-current assets	3,046,692	169,414
Total assets	899,272,186	611,584,309
LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCKS AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term loans	260,253,268	162,076,050
Bills payable	8,169,935	15,810,340
Accounts payable	111,716,226	7,061,259
Amounts due to a related party	368,479	-
Income taxes payable	16,216,348	8,511,679
Accrued expenses and other current liabilities	35,218,647	34,442,983
Total current liabilities	431,942,903	227,902,311
Income taxes payable-non current	1,532,691	-
Deferred income tax liabilities	19,737,237	20,733,959
Warrants liability	700,648	1,008,750
Total liabilities	453,913,479	249,645,020
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, 49,019,708 shares and 47,584,772 shares issued, 47,868,772 shares and 47,563,772 shares outstanding as of September 30, 2013 and December 31, 2012, respectively	4,789	4,758
Treasury stock, 21,000 shares at cost	(92,694)	(92,694)

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Additional paid-in capital	74,276,252	72,583,910
Retained earnings	253,527,526	177,208,492
Accumulated other comprehensive income	20,066,269	14,658,258
Total stockholders' equity	347,782,242	264,362,824
Commitments and contingencies	-	-
Total liabilities, redeemable convertible preferred stocks and stockholders' equity	899,272,186	611,584,309

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Three-Month		Nine-Month	
	Period Ended September 30,		Period Ended September 30,	
	2013	2012	2013	2012
	US\$	US\$	US\$	US\$
Revenues	293,139,049	163,368,820	666,256,978	431,208,409
Cost of revenues	(227,473,486)	(123,326,182)	(534,250,688)	(324,676,853)