

CHINA RECYCLING ENERGY CORP
Form 10-Q
August 11, 2017

**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, 2017

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 No. 000-12536

China Recycling Energy Corporation

(Exact Name of Registrant as Specified in Its Charter)

Nevada

90-0093373

(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

12/F, Tower A

Chang An International Building

No. 88 Nan Guan Zheng Jie

Xi'an City, Shaanxi Province, China

(Address of Principal Executive Offices, Zip Code)

Registrant's Telephone Number, Including Area Code: + 86-29-8765-1097

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 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

Indicate by check mark whether the registrant is large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer" "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	Accelerated filer
Non-accelerated filer	Smaller reporting company
Emerging growth company	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

The number of shares outstanding of the registrant's Common Stock, as of August 9, 2017 was 8,310,198.

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PART I – FINANCIAL INFORMATION**Item 1. Financial Statements****CHINA RECYCLING ENERGY CORPORATION AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS****AS OF JUNE 30, 2017 (UNAUDITED) AND DECEMBER 31, 2016**

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and equivalents	\$46,976,023	\$47,752,353
Notes receivable	797,119	-
Accounts receivable	12,895,607	12,593,340
Current portion of investment in sales-type leases, net	12,552,397	9,385,453
Interest receivable on sales type leases	7,695,920	4,621,491
Prepaid expenses	112,741	682,781
Other receivables	2,352,878	560,468
Total current assets	83,382,685	75,595,886
NON-CURRENT ASSETS		
Investment in sales-type leases, net	100,624,407	101,706,978
Long term investment	745,863	641,897
Long term deposit	-	61,564
Property and equipment, net	12,089	12,558
Construction in progress	90,167,194	86,493,182
Total non-current assets	191,549,553	188,916,179
TOTAL ASSETS	\$274,932,238	\$264,512,065
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$2,213,480	\$1,506,924
Taxes payable	1,179,032	1,202,677
Accrued liabilities and other payables	1,573,460	1,596,580
Due to related parties	41,775	44,059
Loans payable - current	-	720,773

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Interest payable on entrusted loans	4,004,557	224,090
Current portion of entrusted loan payable	48,712,801	47,570,996
Total current liabilities	57,725,105	52,866,099
NONCURRENT LIABILITIES		
Deferred tax liability, net	9,233,587	8,900,979
Refundable deposit from customers for systems leasing	1,048,063	1,023,497
Entrusted loan payable	295,229	288,309
Total noncurrent liabilities	10,576,879	10,212,785
Total liabilities	68,301,984	63,078,884
CONTINGENCIES AND COMMITMENTS		
STOCKHOLDERS' EQUITY		
Common stock, \$0.001 par value; 20,000,000 shares authorized, 8,310,198 shares issued and outstanding	8,310	8,310
Additional paid in capital	111,793,813	111,789,166
Statutory reserve	14,736,982	14,473,924
Accumulated other comprehensive income	(5,911,991)	(10,544,426)
Retained earnings	86,319,512	85,838,638
Total Company stockholders' equity	206,946,626	201,565,612
Noncontrolling interest	(316,372)	