

CHINA RECYCLING ENERGY CORP
Form NT 10-K
April 02, 2018

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

FORM 12b-25

NOTIFICATION OF LATE FILING

(Check one):

Form 10-K Form 20-F Form 11-K Form 10-Q Form 10-D Form N-SAR Form N-CSR

For Period Ended: December 31, 2017

Transition Report on Form 10-K
Transition Report on Form 20-F
Transition Report on Form 11-K
Transition Report on Form 10-Q
Transition Report on Form N-SAR

For the Transition Period Ended:

Nothing in this form shall be construed to imply that the Commission has verified any information contained herein.

If the notification relates to a portion of the filing checked above, identify the Item(s) to which the notification relates:

PART I — REGISTRANT INFORMATION

China Recycling Energy Corporation

Full Name of Registrant

N/A

Former Name if Applicable

12/F, Tower A, Chang An International Building

Address of Principal Executive Office (*Street and Number*)

No. 88 Nan Guan Zheng Jie, Xi'an City, China 710068

City, State and Zip Code

PART II — RULES 12b-25(b) AND (c)

If the subject report could not be filed without unreasonable effort or expense and the registrant seeks relief pursuant to Rule 12b-25(b), the following should be completed. (Check box if appropriate)

- (a) The reason described in reasonable detail in Part III of this form could not be eliminated without unreasonable effort or expense

The subject annual report, semi-annual report, transition report on Form 10-K, Form 20-F, Form 11-K, Form N-SAR or Form N-CSR, or portion thereof, will be filed on or before the fifteenth calendar day following the (b)prescribed due date; or the subject quarterly report or transition report on Form 10-Q or subject distribution report on Form 10-D, or portion thereof, will be filed on or before the fifth calendar day following the prescribed due date; and

- (c) The accountant's statement or other exhibit required by Rule 12b-25(c) has been attached if applicable.

PART III — NARRATIVE

State below in reasonable detail why Forms 10-K, 20-F, 11-K, 10-Q, 10-D, N-SAR, N-CSR, or the transition report or portion thereof, could not be filed within the prescribed time period.

The Company is unable to file this Annual Report on Form 10-K for the fiscal year ended December 31, 2017 within the prescribed time period without unreasonable effort or expense because additional time is required to complete the preparation of the Company's financial statements in time for filing. The Company anticipates filing its Form 10-K on or before the fifteenth calendar day following the prescribed due date.

PART IV — OTHER INFORMATION

(1) Name and telephone number of person to contact in regard to this notification

Adeline Gu 011-86-29 87659-1098
(Name) (Area Code) (Telephone Number)

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Have all other periodic reports required under Section 13 or 15(d) of the Securities Exchange Act of 1934 or Section 30 of the Investment Company Act of 1940 during the preceding 12 months or for such shorter period that the registrant was required to file such report(s) been filed ? If answer is no, identify report(s).

(2)

Yes No

Is it anticipated that any significant change in results of operations from the corresponding period for the last fiscal year will be reflected by the earnings statements to be included in the subject report or portion thereof?

(3) Yes No

If so, attach an explanation of the anticipated change, both narratively and quantitatively, and, if appropriate, state the reasons why a reasonable estimate of the results cannot be made.

China Recycling Energy Corporation

(Name of Registrant as Specified in Charter)

has caused this notification to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 2, 2018 By: */s/ Adeline Gu*

Adeline Gu

Title: Chief Financial Officer

Anticipated Changes

We anticipate that we will report the following significant changes in the results of operations from the 2017 fiscal year:

INTEREST INCOME ON SALES-TYPE LEASES. Interest income on sales-type leases for the year ended December 31, 2017 was \$7.29 million, a \$4.88 million decrease from \$12.17 million for the year ended December 31, 2016.

NET INCOME (LOSS). Net loss for the year ended December 31, 2017 was \$8.99 million compared to net income of \$1.83 million for the year ended December 31, 2016, a decrease of \$10.82 million. This decrease in net income was mainly due to the decreased interest income on sales-type leases and increased income tax expense in the year ended December 31, 2017.

OPERATING EXPENSES. Operating expenses consisted of general and administrative expenses totaling \$2,822,321 and asset impairment loss of \$38,859 for the year ended December 31, 2017, compared to \$1,563,333 general and administrative expenses and \$242,305 asset impairment loss for the comparable period of 2016, an increase of \$1,055,542 or 58%. The increase was mainly due to an increase in bad debt allowance expenses of \$1,744,717, which was partially offset by decreases of asset impair loss by \$203,446, of rent expense by \$44,570, of payroll expense by \$164,159, of office expense by \$48,297 and of travel expense by \$43,781.

NET NON-OPERATING EXPENSES. Net non-operating expenses consisted of non-sales-type lease interest income, interest expenses and miscellaneous expenses. For the year ended December 31, 2017, net non-operating expense was \$5.44 million compared to net non-operating expense of \$9.71 million for the year ended December 31, 2016. For the year ended December 31, 2017, we had \$143,606 interest income, but the amount was offset by \$5.56 million interest expense on loans and \$15,802 other loss. For the year ended December 31, 2016, we had \$0.13 million interest income and \$0.52 million other income, but the amounts were offset by a \$7.18 million interest expense on loans, a \$2.78 million loss from the sale of construction in progress of the Xuzhou Zhongtai project, and a \$0.41 million loss on systems repurchase from Qitaihe City Boli Yida Coal Selection Co., Ltd.

INCOME TAX EXPENSE. Income tax expense was \$8.31 million for the year ended December 31, 2017, compared with \$0.84 million income tax benefit for the comparable period of 2016. The consolidated effective income tax rate for the years ended December 31, 2017 and 2016 were 820.9% and (130.9)%, respectively.

