

NT 10-Q 1 extf10q0618_futurefintech.htm NOTIFICATION OF LATE FILING

**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: June 30, 2018

- 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

Future FinTech Group Inc.

Full Name of Registrant

N/A

Former Name if Applicable

23F, China Development Bank Tower

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

No. 2, Gaoxin 1st Road, Xi'an, China 710075

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
- (b) 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 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 Quarterly Report on Form 10-Q for the quarter ended June 30, 2018 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-Q on or before the fifth 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

<u>Crystal Lee</u>	<u>011-86-29</u>	<u>81878277</u>
(Name)	(Area Code)	(Telephone Number)

- (2) 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).

Yes No

- (3) 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?

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.

Future FinTech Group Inc.
(Name of Registrant as Specified in Charter)

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

Date: August 14, 2018

By: /s/ Yongke Xue

Yongke Xue

Title: Chief Executive Officer

Anticipated Changes

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

Revenue. Sales for the three months ended June 30, 2018 were \$0.8 million, a decrease of \$2.0 million, when compared to sales for the same period of the prior year. As a percentage, sales decreased by 72% for the three months ended June 30, 2018, when compared to total net sales for the same period of the prior year.

Sales from apple-related products as a percentage of total sales were 20% for the three months ended June 30, 2018, as compared to 1% for the same period of the prior year. Sales from concentrated kiwifruit juice and kiwifruit puree as a percentage of total sales were 26% and 4% for the three months ended June 30, 2018, and June 30, 2017, respectively. Sales from concentrated pear juice as a percentage of total sales were 0% and 4% for the three months ended June 30, 2018, and June 30, 2017, respectively.

Sales from our fruit juice beverages as a percentage of total sales were 54% and 90% for the three months ended June 30, 2018, and June 30, 2017, respectively. The absolute amount of sales were \$0.4 million for the three months ended June 30, 2018, a decrease of \$2.1 million, when compared to the sales of \$2.5 million for the same period of the prior year.

Gross Profit. The consolidated gross profit for the three months ended June 30, 2018 was \$0.17 million, a decrease of \$1.12 million, from \$1.29 million for the same period of 2017, primarily due to a decrease of sales from of our products as a result of a decrease in our sales volume.

The gross profit margin of concentrated apple juice for the second quarters of 2018 and 2017 were 30% and 10%, respectively. We did not have any inventory of concentrated apple juice during the second quarters of 2018 and 2017, and we had to purchase concentrated apple juice to satisfy our customers' demand, which caused lower margins. The increase in gross margin in the second quarter of 2018 was mainly due to an increase in the sales prices of such products to our customers.

The gross profit margin of the concentrated kiwifruit juice and kiwifruit puree segment was 6% and 31% for the second quarters of 2018 and 2017, respectively, primarily due to a decrease in production during the second quarter of 2018 as a result of a decrease in market demand for our products, which resulted in a higher ratio of fixed expenses to the unit cost of our products.

The gross profit margin of the concentrated pear juice was 19% for the second quarter of 2017. We did not sell any concentrated pear juice during the second quarter of 2018 as there was no market demand for this category of our products.

The gross profit margin of our fruit juice beverages decreased from 49% for the three months ended June 30, 2017, to 22% for the same period of 2018. The decrease of gross margin of fruit juice beverages was primarily due to a decrease in production, which resulted in a higher ratio of fixed expenses to the unit cost of our products. The decrease in production volume is mainly due to a decrease in quantity ordered from our customers as a result of heavy completion in the market.

Operating Expenses. General and administrative expenses decreased by \$0.8 million, or 26%, from \$3.1 million to \$2.3 million for the three months ended June 30, 2018 compared to the same period of last fiscal year. The decrease was mainly due to a decrease in depreciation cost of fixed assets in the second quarter of 2018 as compared to the same period of 2017. The Company recorded an impairment cost of \$54.7 million related with its fixed assets in 2017, which resulted in a lower depreciation expenses in the second quarter of 2018.

Selling expenses increased by \$0.1 million, or 33%, from \$0.3 million to \$0.4 million for the three months ended June 30, 2018 as compared to the same period in 2017, mainly due to an increase in advertising costs for fruit juice beverages as we tried to increase our sales volume.