

Edgar Filing: SemiLEDs Corp - Form 10-Q

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 a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions 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 (Do not check if a smaller reporting company) 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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date: 3,543,915 shares of common stock, par value \$0.0000056 per share, outstanding as of July 7, 2017.

Table of Contents

SEMILEDs CORPORATION

FORM 10-Q for the Quarter Ended May 31, 2017

INDEX

	Page No.
<u>Part I. Financial Information</u>	
<u>Item 1. Financial Statements</u>	1
<u>Condensed Consolidated Balance Sheets as of May 31, 2017 (unaudited) and August 31, 2016 (audited)</u>	1
<u>Unaudited Condensed Consolidated Statements of Operations for the three and nine months ended May 31, 2017 and 2016</u>	2
<u>Unaudited Condensed Consolidated Statements of Comprehensive Loss for the three and nine months ended May 31, 2017 and 2016</u>	3
<u>Unaudited Condensed Consolidated Statement of Changes in Equity for the nine months ended May 31, 2017</u>	4
<u>Unaudited Condensed Consolidated Statements of Cash Flows for the nine months ended May 31, 2017 and 2016</u>	5
<u>Notes to Unaudited Condensed Consolidated Financial Statements</u>	6
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	15
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	29
<u>Item 4. Controls and Procedures</u>	29
<u>Part II. Other Information</u>	
<u>Item 1. Legal Proceedings</u>	30
<u>Item 1A. Risk Factors</u>	30
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	31
<u>Item 3. Defaults Upon Senior Securities</u>	31

<u>Item 4. Mine Safety Disclosures</u>	31
<u>Item 5. Other Information</u>	31
<u>Item 6. Exhibits</u>	31
<u>Signatures</u>	32
<u>Index to Exhibits</u>	33

Table of Contents

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

SEMILEDs CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(In thousands of U.S. dollars and shares, except par value)

	May 31, 2017 (Unaudited)	August 31, 2016 (Audited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 3,137	\$ 6,030
Accounts receivable (including related parties), net of allowance for doubtful accounts of \$764 and \$746 as of May 31, 2017 and August 31, 2016, respectively	1,277	900
Inventories	3,369	4,067
Prepaid expenses and other current assets	537	640
Total current assets	8,320	11,637
Property, plant and equipment, net	8,558	8,813
Intangible assets, net	63	44
Investments in unconsolidated entities	995	1,368
Other assets	361	373
TOTAL ASSETS	\$ 18,297	\$ 22,235
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Current installments of long-term debt	\$ 335	\$ 314
Accounts payable	837	1,326
Advance receipt toward the convertible note	500	500
Accrued expenses and other current liabilities	5,437	