

INNOCOM TECHNOLOGY HOLDINGS, INC.

Form 10-Q

August 14, 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 AND EXCHANGE
ACT OF 1934**

For the quarter ended June 30, 2017

Commission File Number 0-50164

INNOCOM TECHNOLOGY HOLDINGS, INC.

(Exact Name of small business issuer as specified in its charter)

NEVADA

87-0618756

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

Unit 2807, 28/F., 99 Queen's Road, (Zip code)

Hong Kong, PRC

Not applicable

(Address of principal executive offices)

Issuer's telephone number, including area code: **(852) 3102 1602**

(Former name, former address or former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) 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 a large accelerated filer, an accelerated filer, a non-accelerated filer, or a 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:

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input checked="" type="checkbox"/>
Emerging growth company <input type="checkbox"/>	

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 ☐

The number of shares outstanding of each of the Registrant's classes of common stock, as of August 14, 2017 was 220,631,841 shares, all of one class of \$0.001 par value Common Stock.

INNOCOM TECHNOLOGY HOLDINGS, INC.

FORM 10-Q

Quarter Ended June 30, 2016

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SPECIAL NOTE ON FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Item 2 of Part I of this report include forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by forward-looking statements.

In some cases, you can identify forward-looking statements by terminology such as “may,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “proposed,” “intended,” or “continue” or the negative of these or other comparable terminology. You should read statements that contain these words carefully, because they discuss our expectations about our future operating results or our future financial condition or state other “forward-looking” information. There may be events in the future that we are not able to accurately predict or control. Before you invest in our securities, you should be aware that the occurrence of any of the events described in this Quarterly Report could substantially harm our business, results of operations and financial condition, and that upon the occurrence of any of these events, the trading price of our securities could decline and you could lose all or part of your investment. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, growth rates, levels of activity, performance or achievements. We are under no duty to update any of the forward-looking statements after the date of this Quarterly Report to conform these statements to actual results.

PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

INNOCOM TECHNOLOGY HOLDINGS, INC.

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(UNAUDITED)

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INNOCOM TECHNOLOGY HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2017 AND DECEMBER 31, 2016

(Currency expressed in United States Dollars (“US\$”), except for number of shares)

	June 30, 2017 (Unaudited)	December 31, 2016 (Audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,707	\$ 1,643
TOTAL ASSETS	\$ 3,707	\$ 1,643
LIABILITIES AND STOCKHOLDERS’ DEFICIT		
Current liabilities:		
Accounts payable	\$ 84,727	\$ 84,727
Amount due to a related party	330,161	327,003
Other payables and accrued liabilities	324,730	291,217
Total current liabilities	739,618	702,947
Commitments and contingencies		
Stockholders’ deficit:		
Common stock, \$0.001 par value; 490,000,000 shares authorized; 220,631,841 and 220,631,841 shares issued and outstanding as of June 30, 2017 and December 31, 2016, respectively	220,632	220,632
Additional paid-in capital	12,200,509	12,200,509
Accumulated other comprehensive income	286,865	286,884
Accumulated deficit	(13,443,917)	(13,409,329)
Total stockholders’ deficit	(735,911)	(701,304)
TOTAL LIABILITIES AND STOCKHOLDERS’ DEFICIT	\$ 3,707	\$ 1,643

See accompanying notes to condensed consolidated financial statements.

INNOCOM TECHNOLOGY HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF
OPERATIONS AND COMPREHENSIVE LOSS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017 AND 2016

(Currency expressed in United States Dollars ("US\$"), except for number of shares)

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Revenues, net:	\$ -	\$ -	\$ -	\$ -
Cost of revenue	-	-	-	-
Gross profit	-	-	-	-
Operating expenses:				
General and administrative	(17,320)	(34,435)	(34,588)	(77,406)
Total operating expenses	(17,320)	(34,435)	(34,588)	(77,406)
LOSS BEFORE INCOME TAXES	(17,320)	(34,435)	(34,588)	(77,406)
Income tax expense	-	-	-	-
NET LOSS	(17,320)	(34,435)	\$ (34,588)	\$ (77,406)
Other comprehensive income:				
- Foreign currency translation loss	(16)	(548)	(19)	1
COMPREHENSIVE LOSS	\$ (17,336)	\$ (34,983)	\$ (34,607)	\$ (77,405)
Net loss per share – Basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

Weighted average common shares

outstanding – Basic and diluted	220,631,841	220,631,841	220,631,841	220,631,841
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See accompanying notes to condensed consolidated financial statements.

INNOCOM TECHNOLOGY HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2017 AND 2016

(Currency expressed in United States Dollars ("US\$"))

(Unaudited)

	Six months ended June 30,	
	2017	2016
Cash flows from operating activities:		
Net loss	\$ (34,588)	\$ (77,406)
Change in operating assets and liabilities:		
Other payables and accrued liabilities	33,513	44,531
Net cash used in operating activities	(1,075)	(32,875)
Cash flows from financing activities:		
Advances from a related party	3,158	35,171
Net cash provided by financing activities	3,158	35,171
Effect of exchange rate changes on cash and cash equivalents	(19)	1
Net change in cash and cash equivalents	2,064	2,297
CASH AND CASH EQUIVALENT, BEGINNING OF PERIOD	1,643	2,206
CASH AND CASH EQUIVALENT, END OF PERIOD	\$ 3,707	\$ 4,503
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	\$ -	\$ -

See accompanying notes to condensed consolidated financial statements.

INNOCOM TECHNOLOGY HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2017

(Currency expressed in United States Dollars ("US\$"), except for number of shares)

(Unaudited)

	Common stock		Accumulated			Total
	No. of		Additional	other	Accumulated	stockholders'
	shares	Amount	paid-in	comprehensive	deficit	deficit
			capital	income		
Balance as of January 1, 2017	220,631,841	\$ 220,632	\$ 12,200,509	\$ 286,884	\$ (13,409,329)	\$ (701,304)
Net loss for the period	-	-	-	-	(34,588)	(34,588)
Foreign currency translation adjustment	-	-	-	(19)	-	(19)
Balance as of June 30, 2017	220,631,841	\$ 220,632	\$ 12,200,509	\$ 286,865	\$ (13,443,917)	\$ 1,026,950
Puerto Rico Electric Power Authority, Power Revenue	5.00	7/1/37 1,945,000	1,735,465			
Puerto Rico Electric Power Authority, Power Revenue	5.50	7/1/38 5,400,000	5,153,274			
Puerto Rico Electric Power Authority, Power Revenue	5.25	7/1/40 1,500,000	1,378,560			

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Puerto Rico				
Electric Power				
Authority, Power				
Revenue	5.00	7/1/42	950,000	837,871
Puerto Rico Sales				
Tax Financing				
Corporation, Sales				
Tax Revenue				
(First Subordinate				
Series)	5.38	8/1/39	1,000,000	1,000,220
Puerto Rico Sales				
Tax Financing				
Corporation, Sales				
Tax Revenue				
(First Subordinate				
Series)	6.00	8/1/42	5,500,000	5,721,100
Total				
Investments				
(cost				
\$282,682,287)			152.0 %	298,364,291
Liabilities, Less				
Cash and				
Receivables			(13.8 %)	(27,054,706)
Preferred				
Stock, at				
redemption				
value			(38.2 %)	(75,000,000)
Net Assets				
Applicable to				
Common				
Shareholders.			100.0 %	196,309,585

- a At June 30, 2013, the fund had \$49,598,109 or 25.3% of net assets applicable to Common Shareholders invested in securities whose payment of principal and interest is dependent upon revenues generated from education .
- b Collateral for floating rate borrowings.
- c Securities exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2013, these securities were valued at \$61,296,382 or 31.2% of net assets applicable to Common Shareholders.
- d These securities are prerefunded; the date shown represents the prerefunded date. Bonds which are prerefunded are collateralized by U.S. Government securities which are held in escrow and are used to pay principal and interest on the municipal issue and to retire the bonds in full at the earliest refunding date.
- e At June 30, 2013, the fund had \$49,105,130 or 25.0% of net assets applicable to Common Shareholders invested in securities whose payment of principal and interest is dependent upon revenues generated from transportation.

At June 30, 2013, net unrealized appreciation on investments was \$15,682,004 of which \$19,183,457 related to appreciated investment securities and \$3,501,453 related to depreciated investment securities. At June 30, 2013, the cost of investments for federal income tax purposes was substantially the same as the cost for financial reporting purposes.

Summary of Abbreviations

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ABAG	Association of Bay Area Governments	ACA	American Capital Access
AGC	ACE Guaranty Corporation	AGIC	Asset Guaranty Insurance Company
AMBAC	American Municipal Bond Assurance Corporation	ARRN	Adjustable Rate Receipt Notes
BAN	Bond Anticipation Notes	BPA	Bond Purchase Agreement
CIFG	CDC Ixis Financial Guaranty	COP	Certificate of Participation
CP	Commercial Paper	DRIVERS	Derivative Inverse Tax-Exempt Receipts
EDR	Economic Development Revenue	EIR	Environmental Improvement Revenue
FGIC	Financial Guaranty Insurance Company	FHA	Federal Housing Administration
FHLB	Federal Home Loan Bank	FHLMC	Federal Home Loan Mortgage Corporation
FNMA	Federal National Mortgage Association	GAN	Grant Anticipation Notes

GIC	Guaranteed Investment Contract	GNMA	Government National Mortgage Association
GO	General Obligation	HR	Hospital Revenue
IDB	Industrial Development Board	IDC	Industrial Development Corporation
IDR	Industrial Development Revenue	LIFERS	Long Inverse Floating Exempt Receipts
LOC	Letter of Credit	LOR	Limited Obligation Revenue
LR	Lease Revenue	MERLOTS	Municipal Exempt Receipts Liquidity Option Tender
MFHR	Multi-Family Housing Revenue	MFMR	Multi-Family Mortgage Revenue
PCR	Pollution Control Revenue	P-FLOATS	Puttable Floating Option Tax-Exempts Receipts
PILOT	Payment in Lieu of Taxes	PUTTERS	Puttable Tax-Exempt Receipts
RAC	Revenue Anticipation Certificates	RAN	Revenue Anticipation Notes
RAW	Revenue Anticipation Warrants	ROCS	Reset Option Certificates
RRR	Resources Recovery Revenue	SAAN	State Aid Anticipation Notes
SBPA	Standby Bond Purchase Agreement	SFHR	Single Family Housing Revenue
SFMR	Single Family Mortgage Revenue	SONYMA	State of New York Mortgage Agency
SPEARS	Short Puttable Exempt Adjustable Receipts	SWDR	Solid Waste Disposal Revenue
TAN	Tax Anticipation Notes	TAW	Tax Anticipation Warrants
TRAN	Tax and Revenue Anticipation Notes	XLCA	XL Capital Assurance

The following is a summary of the inputs used as of June 30, 2013 in valuing the fund's investments:

	Level 1 - Unadjusted Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Assets (\$)				
Investments in Securities:				
Municipal Bonds	-	298,364,291	-	298,364,291

The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") is the exclusive reference of authoritative U.S. generally accepted accounting principles ("GAAP") recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission ("SEC") under authority of federal laws are also sources of authoritative GAAP for SEC registrants. The fund's financial statements are prepared in accordance with GAAP, which may require the use of management estimates and assumptions. Actual results could differ from those estimates.

Portfolio valuation: The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. the exit price). GAAP establishes a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Additionally, GAAP provides guidance on determining whether the volume and activity in a market has decreased significantly and whether such a decrease in activity results in transactions that are not orderly. GAAP requires enhanced disclosures around valuation inputs and techniques used during annual and interim periods.

Various inputs are used in determining the value of the fund's investments relating to fair value measurements. These inputs are summarized in the three broad levels listed below:

Level 1—unadjusted quoted prices in active markets for identical investments.

Level 2—other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.).

Level 3—significant unobservable inputs (including the fund's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. Valuation techniques used to value the fund's investments are as follows:

Investments in securities are valued each business day by an independent pricing service (the "Service") approved by the Board of Directors. Investments for which quoted bid prices are readily available and are representative of the bid side of the market in the judgment of the Service are valued at the mean between the quoted bid prices (as obtained by the Service from dealers in such securities) and asked prices (as calculated by the Service based upon its evaluation of the market for such securities). Other investments (which constitute a majority of the portfolio securities) are carried at fair value as determined by the Service, based on methods which include consideration of the following: yields or prices of municipal securities of comparable quality, coupon, maturity and type; indications as to values from dealers; and general market conditions. All preceding securities are categorized as Level 2 in the hierarchy.

When market quotations or official closing prices are not readily available,

or are determined not to reflect accurately fair value, such as when the value of a security has been significantly affected by events after the close of the exchange or market on which the security is principally traded (for example, a foreign exchange or market), but before the fund calculates its net asset value, the fund may value these investments at fair value as determined in accordance with the procedures approved by the Board of Directors. Certain factors may be considered when fair valuing investments such as: fundamental analytical data, the nature and duration of restrictions on disposition, an evaluation of the forces that influence the market in which the securities are purchased and sold, and public trading in similar securities of the issuer or comparable issuers. These securities are either categorized as Level 2 or 3 depending on the relevant inputs used.

For restricted securities where observable inputs are limited, assumptions about market activity and risk are used and are categorized as Level 3 in the hierarchy.

Additional investment related disclosures are hereby incorporated by reference to the annual and semi-annual reports previously filed with the Securities and Exchange Commission on Form N-CSR.

Item 2. Controls and Procedures.

(a) The Registrant's principal executive and principal financial officers have concluded, based on their evaluation of the Registrant's disclosure controls and procedures as of a date within 90 days of the filing date of this report, that the Registrant's disclosure controls and procedures are reasonably designed to ensure that information required to be disclosed by the Registrant on Form N-Q is recorded, processed, summarized and reported within the required time periods and that information required to be disclosed by the Registrant in the reports that it files or submits on Form N-Q is accumulated and communicated to the Registrant's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

(b) There were no changes to the Registrant's internal control over financial reporting that occurred during the Registrant's most recently ended fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Item 3. Exhibits.

(a) Certifications of principal executive and principal financial officers as required by Rule 30a-2(a) under the Investment Company Act of 1940.

FORM N-Q

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dreyfus Municipal Income, Inc.

By: /s/Bradley J. Skapyak
Bradley J. Skapyak,

President

Date: August 20, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ Bradley J. Skapyak
Bradley J. Skapyak,

President

Date: August 20, 2013

By: /s/ James Windels
James Windels,

Treasurer

Date: August 20, 2013

EXHIBIT INDEX

(a) Certifications of principal executive and principal financial officers as required by Rule 30a-2(a) under the Investment Company Act of 1940. (EX-99.CERT)