

Kandi Technologies Corp  
Form 10-Q/A  
July 29, 2011

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

FORM 10-Q/A  
(Amendment No. 2)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2010

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 number 001-33997

Kandi Technologies, Corp.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

90-0363723  
(I.R.S. Employer Identification No.)

Jinhua City Industrial Zone  
Jinhua, Zhejiang Province  
People's Republic of China  
Post Code 321016  
(Address of principal executive offices)

\_\_\_\_\_  
(86 - 0579) 82239856  
(Registrant's telephone number, including area code)

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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such

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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. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer "

Accelerated filer "

Non-accelerated filer "

Smaller reporting company p

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

Yes "    No p

As of November 10, 2010 the registrant had issued and outstanding 24,305,831 shares of common stock, par value \$.001 per share.

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Explanatory Note

Kandi Technologies, Corp. (the “Company,” “we,” “us” or “our”) is filing this Amendment No. 2 on Form 10-Q/A to our Quarterly Report on Form 10-Q for the three and nine month periods ended September 30, 2010, originally filed with the Securities and Exchange Commission (the “SEC”) on November 15, 2010 and amended on June 8, 2011 (the “Original Form 10-Q”), to make certain corrections as to (i) the disclosure with respect to the default judgment of legal proceeding in Missouri and (ii) management’s evaluation on controls and procedures.

Item 6 of Part II of this report has been revised to contain the currently-dated certifications from our principal executive officer and chief accounting officer, as required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002.

Because this Form 10-Q/A sets forth the Original Form 10-Q in its entirety, it includes both items that have been changed as a result of the amendment and items that are unchanged from the Original Form 10-Q. Other than the revision of the disclosures as discussed above, this Form 10-Q/A speaks as of the original filing date and has not been updated to reflect other events occurring subsequent to the original filing date. This includes forward-looking statements and all other sections of this Form 10-Q/A that were not directly impacted by the amendment, which should be read in their historical context. The following items have been amended:

Part I, Item 4. Controls and Procedures.

Part II, Item 1. Legal Proceedings.

Part II, Item 6. Exhibits.

## PART I— FINANCIAL INFORMATION

## Item 1. Financial Statements. (Unaudited)

KANDI TECHNOLOGIES, CORP.  
AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

## ASSETS

	September 30, 2010 (Unaudited)	December 31, 2009 (Audited)
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 3,411,842	\$ 218,207
Restricted cash	9,857,822	5,704,984
Accounts receivable, net of allowance for doubtful accounts of \$0 as of September 30, 2010 and December 31, 2009	14,156,701	14,879,968
Inventories, net of reserve for slow moving inventories of \$155,441 and \$152,278 as of September, 30, 2010 and December 31, 2009, respectively	10,993,840	5,382,760
Notes receivable	13,864,424	2,267,599
Other receivables	911,130	321,336
Prepayments and prepaid expenses	30,708	30,083
Due from employees	42,452	28,228
Advances to suppliers	350,525	1,164,672
<b>Total Current Assets</b>	<b>53,619,444</b>	<b>29,997,837</b>
<b>LONG-TERM ASSETS</b>		
Plant and equipment, net	21,669,805	23,146,833
Land use rights, net	10,755,939	10,719,528
Deferred tax asset	219,351	207,747
<b>Total Long-Term Assets</b>	<b>32,645,095</b>	<b>34,074,108</b>
<b>TOTAL ASSETS</b>	<b>\$ 86,264,539</b>	<b>\$ 64,071,945</b>

See accompanying notes to condensed consolidated financial statements

KANDI TECHNOLOGIES, CORP.  
AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

	September, 30, 2010 (Unaudited)	December 31, 2009 (Audited)
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 10,159,908	\$ 4,738,543
Other payables and accrued expenses	1,414,921	1,871,020
Short-term bank loans	23,887,371	26,326,566
Customer deposits	4,257	39,371
Notes payable	14,105,767	7,931,540
Income tax payable	95,439	201,564
Due to employees	10,748	88,306
Due to related party	841,251	841,251
Deferred tax liability	54,808	62,544
<b>Total Current Liabilities</b>	<b>50,574,470</b>	<b>42,100,705</b>
<b>LONG TERM LIABILITIES</b>		
Note payable, net of discount of \$3,302,508 and \$0 as of September, 30, 2010 and December 31, 2009, respectively	807,278	-
Warrant liabilities	5,737,418	-
<b>Total Long-Term Liabilities</b>	<b>6,544,696</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>57,119,166</b>	<b>42,100,705</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, \$0.001 par value; 100,000,000 shares authorized; 22,960,266 and 19,961,000 shares outstanding at September, 30, 2010 and December 31, 2009, respectively	22,960	19,961
Additional paid-in capital	16,120,761	8,967,012
Retained earnings (the restricted portion is \$890,912 at September, 30, 2010 and December 31, 2009)	10,337,673	11,046,999
Accumulated other comprehensive income	2,663,979	1,937,268
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>29,145,373</b>	<b>21,971,240</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 86,264,539</b>	<b>\$ 64,071,945</b>

See accompanying notes to condensed consolidated financial statements

KANDI TECHNOLOGIES, CORP.  
AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF (LOSS) INCOME AND  
COMPREHENSIVE (LOSS) INCOME  
(UNAUDITED)

Three Months Ended  
September 30,  
2010

Nine Months Ended