

Kandi Technologies Corp
Form 10-Q
November 15, 2010

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 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 files). Yes No

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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

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

Yes No

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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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)
CURRENT ASSETS		
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
Total Current Assets	53,619,444	29,997,837
LONG-TERM ASSETS		
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
Total Long-Term Assets	32,645,095	34,074,108
TOTAL ASSETS	\$ 86,264,539	\$ 64,071,945

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)
CURRENT LIABILITIES		
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
Total Current Liabilities	50,574,470	42,100,705
LONG TERM LIABILITIES		
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	-
Total Long-Term Liabilities	6,544,696	-
TOTAL LIABILITIES	57,119,166	42,100,705