

Kandi Technologies Corp
Form DEF 14A
November 24, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**SCHEDULE 14A
(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934**

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

KANDI TECHNOLOGIES, CORP.
(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

KANDI TECHNOLOGIES, CORP.

Jinhua City Industrial Zone
Jinhua, Zhejiang Province
People's Republic of China 321016

November 24, 2008

To the Stockholders of Kandi Technologies, Corp.:

The annual meeting of the stockholders (the "Meeting") of Kandi Technologies, Corp. (the "Company") will be held on December 19, 2008 at 12:00 p.m., local time, at the offices of K&L Gates LLP, 599 Lexington Avenue, New York, NY 10022.

Details of the business to be conducted at the Meeting are provided in the enclosed Notice of Meeting of Stockholders and Proxy Statement, which you are urged to read carefully.

On behalf of the Board of Directors, I cordially invite all stockholders to attend the Meeting. It is important that your shares be voted on the matters scheduled to come before the Meeting. Whether or not you plan to attend the Meeting, I urge you to promptly complete, sign, date and return the enclosed proxy card in the prepaid envelope provided. If you attend the Meeting, you may revoke such proxy and vote in person if you wish. Even if you do not attend the Meeting, you may revoke such proxy at any time prior to the Meeting by executing another proxy bearing a later date or providing written notice of such revocation to the Chief Executive Officer of the Company.

Sincerely,

/s/ Hu Xiaoming
Hu Xiaoming
Chairman and Chief Executive Officer

KANDI TECHNOLOGIES, CORP.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be Held on December 19, 2008

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the "Meeting") of Kandi Technologies, Corp., a Delaware corporation (the "Company"), will be held at 12:00 p.m., local time, at the offices of K&L Gates LLP, 599 Lexington Avenue, New York, NY 10022 for the following purposes:

1. To elect a slate of nominees consisting of Hu Xiaoming, Zhu Xiaoying, Zheng Mingyang, Qian Min, Yao Zhengming, Fong Heung Sang and Hu Wangyuan (each a "Nominee and collectively, the "Nominees") to serve as directors of the Company;
2. To consider and act upon a proposal to adopt the Kandi Technologies, Corp. 2008 Omnibus Long-Term Incentive Plan (the "2008 Omnibus Plan");
3. To ratify the appointment of Weinberg & Company, P.A. as the Company's independent registered public accountants for fiscal 2008; and
4. To consider and vote upon such other matter(s) as may properly come before the Meeting or any adjournment(s) thereof.

The Board of Directors recommends that you vote in favor of each proposal.

Shareholders of record as of the Record Date (as defined below) are entitled to notice of, and to vote at, this Meeting or any adjournment or postponement thereof.

WHETHER OR NOT YOU EXPECT TO BE PRESENT AT THE MEETING, PLEASE FILL IN, SIGN, DATE AND PROMPTLY RETURN THE ENCLOSED PROXY IN THE ENCLOSED RETURN ENVELOPE, SO THAT A QUORUM WILL BE PRESENT AND A MAXIMUM NUMBER OF SHARES MAY BE VOTED. IT IS IMPORTANT AND IN YOUR INTEREST FOR YOU TO SIGN YOUR PROXY AND RETURN IT. THE PROXY IS REVOCABLE AT ANY TIME PRIOR TO ITS USE.

By Order Of The Board Of Directors

/s/ Hu Xiaoming
Hu Xiaoming
Chairman and Chief Executive Officer

November 24, 2008

KANDI TECHNOLOGIES, CORP.
Jinhua City Industrial Zone
Jinhua, Zhejiang Province
People's Republic of China 321016

PROXY STATEMENT

GENERAL INFORMATION

This Proxy Statement and the accompanying proxy are being furnished with respect to the solicitation of proxies by the Board of Directors of Kandi Technologies, Corp., a Delaware corporation (the "Company" or "Kandi") for the Annual Meeting of the Stockholders (the "Meeting") to be held at 12:00 p.m., local time, on December 19, 2008 and at any adjournment or adjournments thereof, at the offices of K&L Gates LLP, 599 Lexington Avenue, New York, NY 10022.

The approximate date on which the Proxy Statement and form of proxy are intended to be sent or given to the shareholders is November 24, 2008.

We will bear the expense of solicitation of proxies for the Meeting, including the printing and mailing of this Proxy Statement. We may request persons, and reimburse them for their expenses with respect thereto, who hold stock in their name or custody or in the names of nominees for others to forward copies of such materials to those persons for whom they hold Common Stock (as defined below) and to request authority for the execution of the proxies. In addition, some of our officers, directors and employees, without additional compensation, may solicit proxies on behalf of the Board of Directors personally or by mail, telephone or facsimile.

VOTING SECURITIES, VOTING AND PROXIES

Record Date

Only shareholders of record of our common stock, \$.001 par value (the "Common Stock"), as of the close of business on November 13, 2008 (the "Record Date") are entitled to notice and to vote at the Meeting and any adjournment or adjournments thereof.

Voting Stock

As of the Record Date, there were 19,961,000 shares of Common Stock outstanding. Each holder of Common Stock on the Record Date is entitled to one vote for each share then held on the matter to be voted at the Meeting. No other class of voting securities was then outstanding.

Quorum

The presence at the Meeting of a majority of the outstanding shares of Common Stock as of the Record Date, in person or by proxy, is required for a quorum. Should you submit a proxy, even though you abstain as to the proposal, or you are present in person at the Meeting, your shares shall be counted for the purpose of determining if a quorum is present.

Broker "non-votes" are included for the purposes of determining whether a quorum of shares is present at the Meeting. A broker "non-vote" occurs when a nominee holder, such as a brokerage firm, bank or trust company, holding shares of record for a beneficial owner, does not vote on a particular proposal because the nominee holder does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner.

Voting

The election of directors requires the approval of a plurality of the votes cast at the meeting. For purposes of the proposal, abstentions and broker "non-votes" will have no effect on the outcome.

The adoption of the Company's 2008 Omnibus Plan must be approved by a majority of the votes cast at the Annual Meeting. Abstentions are not counted in determining the number of votes cast in connection with the adoption of the Company's 2008 Omnibus Plan.

If you are the beneficial owner, but not the registered holder of our shares, you cannot directly vote those shares at the Meeting. You must provide voting instructions to your nominee holder, such as your brokerage firm or bank.

If you wish to vote in person at the Meeting but you are not the record holder, you must obtain from your record holder a "legal proxy" issued in your name and bring it to the Meeting.

At the Meeting, ballots will be distributed with respect to the proposal to each shareholder (or the shareholder's proxy if not the management proxy holders) who is present and did not deliver a proxy to the management proxy holders or another person. The ballots shall then be tallied, one vote for each share owned of record, the votes being in three categories: "FOR," "AGAINST" or "ABSTAIN".

Proxies

The form of proxy solicited by the Board of Directors affords you the ability to specify a choice among approval of, disapproval of, or abstention with respect to, the matters to be acted upon at the Meeting. Shares represented by the proxy will be voted and, where the solicited shareholder indicates a choice with respect to the matter to be acted upon, the shares will be voted as specified. If no choice is given, a properly executed proxy will be voted in favor of the proposal.

Revocability of Proxies

Even if you execute a proxy, you retain the right to revoke it and change your vote by notifying us at any time before your proxy is voted. Such revocation may be affected by execution of a subsequently dated proxy, or by a written notice of revocation, sent to the attention of the Secretary at the address of our principal office set forth above in the Notice to this Proxy Statement or your attendance and voting at the Meeting. Unless so revoked, the shares represented by the proxies, if received in time, will be voted in accordance with the directions given therein.

You are requested, regardless of the number of shares you own or your intention to attend the Meeting, to sign the proxy and return it promptly in the enclosed envelope.

Interest of Officers and Directors in Matters to Be Acted Upon

None of the officers or directors has any interest in the matters to be acted upon.

PROPOSAL ONE ELECTION OF DIRECTORS

Kandi's Board is currently comprised of seven members. Vacancies on the Board may be filled only by persons elected by a majority of the remaining directors. A director elected by the Board to fill a vacancy shall serve for the remainder of the term of that director and until the director's successor is elected and qualified. This includes vacancies created by an increase in the number of directors.

The Board has recommended for election Hu Xiaoming, Zhu Xiaoying, Zheng Mingyang, Qian Min, Yao Zhengming, Fong Heung Sang and Hu Wangyuan. If elected at the annual meeting, these directors would serve until the end of their respective terms and until their successors are elected and qualified, or until their earlier death, resignation or removal.

Directors are elected by a plurality of the votes present in person or represented by proxy and entitled to vote at the annual meeting. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of Hu Xiaoming, Zhu Xiaoying, Zheng Mingyang, Qian Min, Yao Zhengming, Fong Heung Sang and Hu Wangyuan. In the event that any nominee should be unavailable for election as a result of an unexpected occurrence, such shares will be voted for the election of such substitute nominee as the Board may propose. Each of Hu Xiaoming, Zhu Xiaoying, Zheng Mingyang, Qian Min, Yao Zhengming, Fong Heung Sang and Hu Wangyuan has agreed to serve if elected, and we have no reason to believe that they will be unable to serve.

Our directors and nominees, their ages, positions with Kandi Technologies, Corp., the dates of their initial election or appointment as director are as follows:

Name	Position With the Company	Age	Director Since
Hu Xiaoming	Chief Executive Officer, President and Chairman of the Board	51	June 2007
Zhu Xiaoying	Chief Financial Officer and Director	37	June 2007
Hu Wangyuan	Vice President and Director	28	June 2007
Fong Heung Sang (1)	Director	47	July 2007
Zheng Mingyang (1)(2)(3)	Director	54	June 2007
Yao Zhengming (1)(2)(3)	Director	50	May 2008
Qian Min (2)(3)	Director	46	May 2008

(1) Member of Audit Committee

(2) Member of Compensation Committee

(3) Member of Nominating and Corporate Governance Committee

Hu Xiaoming, our Chief Executive Officer, President and Chairman of the Board, was the Chief Executive Officer of Zhejiang Kandi Vehicles, Co., Ltd. (“Zhejiang Kandi”), our PRC-based wholly-owned subsidiary, from March 2002 to June 2007. He was the General Manager of the Yongkang Vehicle Company from October 1984 to March 2002.

Zhu Xiaoying, our Chief Financial Officer and Director, was the Chief Financial Officer of Zhejiang Kandi from September 2003 to June 2007. From January 2000 to September 2003, Ms. Zhu was the Accounting Manager for Zhejiang Yonkang Automobile Manufacture Co.

Hu Wangyuan, our Vice President and Director, was a Vice President at Zhejiang Kandi from November 2002 to June 2007. Mr. Hu received his MBA at Hong Kong Polytechnic University in November 2002.

Fong Heung Sang, a director since July 2007, is the Executive Vice President of Corporate Development of Fuqi International, Inc. From January 2004 to November 2006, Mr. Fong was the Managing Partner of Iceberg Financial Consultants, a financial advisory firm based in China that advises Chinese clients in capital raising activities in the United States. From December 2001 to December 2003, Mr. Fong was the Chief Executive Officer of Holley Communications, a Chinese company that engaged in CDMA chip and cell phone design. Mr. Fong has also held various positions with accounting firms in the United States and Hong Kong, including Deloitte and Touche, Ernst and Young and KPMG. Mr. Fong is also currently serving as an independent director and audit committee member of a Hong Kong public company, Universal Technology Inc. Mr. Fong graduated from the Baptist University in 1982 and has an MBA from the University of Nevada at Reno and a Masters in Accounting from the University of Illinois at Urbana Champaign.

Zheng Mingyang, a Director since June 2007, was the Vice President of Yongkang Automobile Manufacture Co. from May 1992 to September 2003. Mr. Mingyang has been the acting General Manager of Meng Deli Electric Appliance Company, Ltd since March 2003, and has been a Director of Zhejiang Kandi Vehicles Company, Ltd since September 2003.

Yao Zhengming, a Director since May 2008, is the Director of the Development Bureau of the PRC. Over the course of his career, Mr. Yao worked in several capacities for the Chinese government, including as Vice Director of the Finance Bureau in Yongkang (1988-1996), Director of Foreign Trade Bureau (1996-1997), Director of the Communications Bureau (1998-2003) and Director of the Science and Technology Bureau (2003-2007). Mr. Yao graduated from the Zhejiang Institute of Finance and Economics in January 1980.

Qian Min, a Director since May 2008, is the General Manager of Zheshang Bank Co., Ltd. Over the course of his career, Mr. Qian worked as a Director and Vice President of the Agricultural Bank of China, Yongkang Branch from 1990 to 2008. Mr. Qian received his B.A. from the Southwest University of Science and Technology, located in Minyang, China in 2005.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE “FOR” THE ELECTION OF EACH OF
HU XIAOMING, ZHU XIAOYING, ZHENG MINGYANG, QIAN MIN, YAO ZHENGMING, FONG
HEUNG SANG AND HU WANGYUAN**

PROPOSAL TWO
ADOPTION OF COMPANY'S 2008 OMNIBUS PLAN

Upon recommendation of the Board of Directors of the Company, the Board is hereby submitting to the shareholders of the Company for their approval the proposed adoption of the 2008 Omnibus Plan. The proposed plan is included as Appendix A. The principal features of the Plan are described below.

THE BOARD OF DIRECTORS RECOMMENDS
A VOTE IN FAVOR OF THIS PROPOSAL.

Summary of the Plan

The purpose of the 2008 Omnibus Plan is to assist the Company in attracting, retaining, and rewarding high-quality executives, employees, directors and other persons who provide services to the Company, enabling such persons to acquire or increase a proprietary interest in the Company and to strengthen the mutuality of interests between such persons and to provide annual and long-term incentives to expend their maximum efforts in the creation of shareholder value. The 2008 Omnibus Plan will be administered by the Compensation Committee, such other committee as determined by the Board of Directors, or a subcommittee consisting solely of non-employee, outside directors. The 2008 Omnibus Plan does not limit the availability of awards to any particular class or classes of Eligible Employees. If an award were to lapse or rights to an award otherwise were to terminate, the shares subject to the award would be available for future awards to the extent permitted by applicable federal securities laws. Awards granted under the Plan are not transferable, except in the event of the participant's death. In the event of a change in control, a right to exercise that was not previously exercisable and vested shall become fully exercisable and vested at the time of change in control. The total number of shares reserved and available for delivery in connection with awards under the Plan shall be 4,000,000.

Awards to Eligible Employees under the Plan will be made in the form of stock options, stock appreciation rights ("SARs"), restricted stock, restricted stock units ("RSUs") and annual incentive and performance awards. The Compensation Committee, in its sole discretion, designates whom is eligible to receive awards, determines the form of each award, determines the number of shares of stock subject to each award, establishes the exercise price of each award and such other terms and conditions applicable to the award as the Compensation Committee deems appropriate.

Stock option awards can be either incentive or non-incentive. In either case, the exercise price of the option would not be less than the fair market value of the underlying shares as of the date the award is granted. Options would become exercisable at such times as may be established by the Compensation Committee when granting the award. No stock option could be exercised more than ten years after the date the option is granted.

A SAR allows the holder, upon exercise, to receive the excess of the fair market value of one share of Common Stock of the Company on the date of exercise over the grant price of the SAR. The Compensation Committee shall determine the circumstances under which a SAR may be exercised, the month of exercise and method of settlement. SARs may be awarded independently or in tandem with other awards.

Restricted stock awards are awards of shares subject to such restrictions as to transferability and risk of forfeiture as imposed by the Compensation Committee, which restrictions may lapse separately under such circumstances such as achievement of performance goals and/or future service requirements. Except to the extent restricted under the terms of the 2008 Omnibus Plan, any employee granted restricted stock shall have all the rights of a shareholder including the right to vote and receive dividends.

The Compensation Committee is authorized to grant RSUs to participants which are rights to receive stock, cash, or a combination thereof at the end of a specified deferral period. The Compensation Committee is also authorized to grant stock as a bonus or to grant stock in lieu of obligations to pay cash under the 2008 Omnibus Plan or under other compensatory arrangements.

The Board of Directors of the Company may amend or terminate the 2008 Omnibus Plan at any time, except that any amendment or alteration to the 2008 Omnibus Plan shall be contingent on the approval of the Company's shareholders not later than the annual meeting next following such Board action if such shareholder approval is required by any federal or state law or regulation or the rules of any stock exchange, provided that, without the consent of an affected Participant, no such Board action may materially and adversely affect the rights of such Participant under any previously granted and outstanding award.

PROPOSAL THREE

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The Audit Committee of the Board has appointed Weinberg & Company, P.A. as the Company's independent registered public accountants for the fiscal year ending December 31, 2008. Services provided to the Company by Weinberg & Company, P.A. in fiscal 2007 are described under "*Audit-Related Matters—Auditor Fees and Services*," below.

We are asking our stockholders to ratify the selection of Weinberg & Company, P.A. as our independent registered public accountants. Although ratification is not required by our Bylaws or otherwise, the Board is submitting the selection of Weinberg & Company, P.A. to our stockholders for ratification as a matter of good corporate practice.

The affirmative vote of the holders of a majority of shares represented in person or by proxy and entitled to vote on this item will be required for approval. Abstentions will be counted as represented and entitled to vote and will therefore have the effect of a negative vote.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF WEINBERG & COMPANY, P.A. AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS FOR FISCAL 2008.

In the event stockholders do not ratify the appointment, the appointment will be reconsidered by the Audit Committee and the Board. Even if the selection is ratified, the Audit Committee in its discretion may select a different registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and our stockholders.

CORPORATE GOVERNANCE

Meetings and Certain Committees of the Board

The Board of Directors held four meetings during 2008. All current directors attended, either in person or telephonically, all of the meetings of the Board of Directors and Board committees of which they are members. We have an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee.

Board Committees

Audit Committee

The Audit Committee is currently comprised of Fong Heung Sang (Chair), Zheng Mingyang and Yao Zhengming, each of whom are “independent” as defined by NASDAQ rules, which is the independence standard that we have chosen to report under. Immediately following the Meeting, assuming the election of the Nominees, the Audit Committee will be comprised of Fong Heung Sang (Chair), Zheng Mingyang and Yao Zhengming, each of whom will be “independent” as defined by NASDAQ rules. The Audit Committee has an Audit Committee Charter, a copy of which was filed as an exhibit to the Current Report on Form 8-K, filed by the Company on November 5, 2007. Fong Heung Sang is the designated “financial expert” as defined by the Securities and Exchange Commission’s (the “SEC”) rules implementing Section 407 of the Sarbanes-Oxley Act of 2002. The Audit Committee is directly responsible for the appointment, retention, compensation and oversight of the work of any registered public accounting firm employed by the Company (including resolution of disagreements between management and the accounting firm regarding financial reporting) for the purpose of preparing or issuing an audit report or related work or performing other audit, review or other services. Any such registered public accounting firm must report directly to the Audit Committee. The Audit Committee has the ultimate authority and responsibility to evaluate and, where appropriate, replace the registered public accounting firm. The Audit Committee was established on October 31, 2007, and has met four times since that date.

Compensation Committee

The Compensation Committee is responsible for the administration of all salary, bonus and incentive compensation plans for our officers and key employees. The members of the Compensation Committee are Zheng Mingyang (Chair), Yao Zhengming and Qian Min, all of whom are “independent” directors as defined by NASDAQ rules, which is the independence standard that we have chosen to report under. Immediately following the Meeting, assuming the election of the Nominees, the Compensation Committee will be comprised of Zheng Mingyang (Chair), Yao Zhengming and Qian Min, each of whom will be “independent” as defined by NASDAQ rules. The Compensation Committee was established on October 31, 2007, and has met one time since that date. The Compensation Committee reviews and, as it deems appropriate, recommends to the Board policies, practices and procedures relating to the compensation of the officers and other managerial employees and the establishment and administration of employee benefit plans. It advises and consults with the officers of the Company as may be requested regarding managerial personnel policies. The Compensation Committee also has such additional powers as may be conferred upon it from time to time by the Board.

Nominating and Governance Committee

Nominating and Corporate Governance Committee (the “Nominating Committee”) is responsible for preparing a list of candidates to fill the expiring terms of directors serving on our Board of Directors. The Nominating Committee has a Nominating and Corporate Governance Committee Charter, a copy of which was filed as an exhibit to the Current Report on Form 8-K, filed by the Company on November 5, 2007. The Nominating Committee submits the list of candidates to the Board of Directors who determines which candidates will be nominated to serve on the Board of Directors. The names of nominees are then submitted for election at our Annual Meeting of Stockholders. The Nominating Committee also submits to the entire Board of Directors, a list of nominees to fill any interim vacancies on the Board of Directors resulting from the departure of a member of the Board of Directors for any reason prior to the expiration of his term. In recommending nominees to the Board of Directors, the Nominating Committee keeps in mind the functions of this body. The Nominating Committee considers various criteria, including the ability of the individual to meet the NASDAQ “independence” requirements, general business experience, general financial experience, knowledge of the Company’s industry (including past industry experience), education, and demonstrated character and judgment. The Nominating Committee will consider director nominees recommended by a stockholder if the stockholder mails timely notice to the Secretary of the Company at its principal offices, which notice includes (i) the name, age and business address of such nominee, (ii) the principal occupation of such nominee, (iii) a brief statement as to such nominee’s qualifications, (iv) a statement that such nominee consents to his or her nomination and will serve as a director if elected, (v) whether such nominee meets the definition of an “independent” director under the NASDAQ listing standards and (vi) the name, address, class and number of shares of capital stock of the Company held by the nominating stockholder. Any person nominated by a stockholder for election to the Board of Directors will be evaluated based on the same criteria as all other nominees. The Nominating Committee also oversees our adherence to our corporate governance standards. The members of the Nominating Committee are Qian Min (Chair), Zheng Mingyang and Yao Zhengming. Immediately following the Meeting, assuming the election of the Nominees, the Nominating Committee will be comprised of Qian Min (Chair), Zheng Mingyang and Yao Zhengming, each of whom will be “independent” as defined by NASDAQ rules. The Nominating Committee was established on October 31, 2007, and has met one time since that date.

Director Nominations and Independence

The nomination process involves a careful examination of the performance and qualifications of each incumbent director and potential nominees before deciding whether such person should be nominated. The Board believes that the business experience of its directors has been, and continues to be, critical to the Company’s success. Directors should possess integrity, independence, energy, forthrightness, analytical skills and commitment to devote the necessary time and attention to the Company’s affairs. Directors must possess a willingness to challenge and stimulate management and the ability to work as part of a team in an environment of trust.

The Board will generally consider all relevant factors, including, among others, each nominee’s applicable expertise and demonstrated excellence in his or her field, the usefulness of such expertise to the Company, the availability of the nominee to devote sufficient time and attention to the affairs of the Company, the nominee’s reputation for personal integrity and ethics, and the nominee’s ability to exercise sound business judgment. Other relevant factors, including age and diversity of skills, will also be considered. Director nominees are reviewed in the context of the existing membership of the Board (including the qualities and skills of the existing directors), the operating requirements of the Company and the long-term interests of its stockholders. The Board uses its network of contacts when compiling a list of potential director candidates and may also engage outside consultants (such as professional search firms).

In addition, the Board of Directors reviews each nominee's relationship with the Company in order to determine whether the nominee can be designated as independent. The following members of our Board of Directors meet the independence requirements and standards currently established by NASDAQ: Fong Heung Sang, Zheng Mingyang, Yao Zhengming and Qian Min.

Stockholder Communications

The Board of Directors welcomes communications from our stockholders, and maintains a process for stockholders to communicate with the Board of Directors. Stockholders who wish to communicate with the Board of Directors may send a letter to the Chairman of the Board of Directors of Kandi Technologies, Corp., at Jinhua City Industrial Zone, Jinhua, Zhejiang Province, People's Republic of China 321016. The mailing envelope must contain a clear notation indicating that the enclosed letter is a "Stockholder-Board Communication." All such letters should identify the author as a security holder. All such letters will be reviewed by the Chairman of the Board of Directors and submitted to the entire Board of Directors no later than the next regularly scheduled Board of Directors meeting.

Annual Meetings

We have no policy with respect to director attendance at annual meetings.

Compensation of Directors

The Company does not pay compensation to its directors. All directors are reimbursed for out-of-pocket expenses in connection with attendance at Board of Director's and/or committee meetings.

Retirement, Post-Termination and Change in Control

We have no retirement, pension, or profit-sharing programs for the benefit of directors, officers or other employees, nor do we have post-termination or change in control arrangements with directors, officers or other employees, but our Board of Directors may recommend adoption of one or more such programs in the future.

EXECUTIVE OFFICERS

General

Certain information concerning our executive officers as of the date of this proxy statement is set forth below. Officers are elected annually by the Board of Directors and serve at the discretion of the Board.

Name	Age	Position With Our Company
Hu Xiaoming	51	Chairman and Chief Executive Officer
Zhu Xiaoying	37	Chief Financial Officer

Certain Relationships and Related Transactions.

On June 29, 2007, Stone Mountain Resources, Inc., a Delaware corporation (“Stone Mountain”) executed a share exchange agreement (the “Exchange Agreement”) with Continental Development Limited, a Hong Kong corporation (“Continental”) and Excelvantage Group Limited (“Excelvantage”), a British Virgin Islands Company which owned 100% of Continental. Pursuant to the Exchange Agreement, Stone Mountain issued 12,000,000 shares of its common stock to Excelvantage, in exchange for 100% of the common stock of Continental. After the closing of the Exchange Agreement, Stone Mountain had a total of 19,961,000 shares of common stock outstanding, with Excelvantage owning 60.12% of the total issued and outstanding shares of Stone Mountain’s common stock, and the remaining shares outstanding were held by those who held shares of Stone Mountain’s common stock prior to the closing.

As a result of this transaction, Continental became a wholly owned subsidiary of Stone Mountain. Thereafter, the business of the Company was that of Continental’s wholly owned subsidiary, Zhejiang Kandi Vehicles Co., Ltd. On August 13, 2007, Stone Mountain changed its name to Kandi Technologies, Corp.

Stone Mountain was a public shell company prior to the closing of the Exchange Agreement. Stone Mountain was originally incorporated on March 31, 2004 in the State of Delaware, and operated as a gold exploration company exploring Nevada mineral properties, before ceasing operations in May 30, 2007.

Tim Ho Man is the only stockholder of Excelvantage. Through his position as the sole stockholder of Excelvantage, Tim Ho Man has the power to dispose of or direct the disposition of the one (1) share of Common Stock he owns in Excelvantage. As a result, Tim Ho Man may, under the rules of the Securities and Exchange Commission, be deemed to be the beneficial owner of the shares of Common Stock. Tim Ho Man disclaims beneficial ownership of the shares of Common Stock reported as beneficially owned by him, except to the extent of his pecuniary interest as a stockholder of Excelvantage Group Limited.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information regarding the beneficial ownership of our common stock as of November 14, 2008 for each person known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock. Unless otherwise indicated, we believe that all persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned by them.

Title of Class Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership⁽¹⁾	
	Number of Shares⁽²⁾	Percent of Voting Stock⁽³⁾
Common Excelvantage Group Limited	12,000,000	60.12%
Common Tim Ho Man	12,000,000	60.12%

- (1) On November 17, 2008, there were 19,961,000 shares of our common stock outstanding. Each person named above has sole investment and voting power with respect to all shares of the common stock shown as beneficially owned by the person, except as otherwise indicated below.
- (2) Under applicable rules promulgated by the U. S. Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), a person is deemed the “beneficial owner” of a security with regard to which the person, directly or indirectly, has or shares (a) the voting power, which includes the power to vote or direct the voting of the security, or (b) the investment power, which includes the power to dispose or direct the disposition of the security, in each case irrespective of the person’s economic interest in the security. Under these SEC rules, a person is deemed to beneficially own securities which the person has the right to acquire within 60 days through (x) the exercise of any option or warrant or (y) the conversion of another security.
- (3) In determining the percent of our common stock owned by a person (a) the numerator is the number of shares of our common stock beneficially owned by the person, including shares the beneficial ownership of which may be acquired within 60 days upon the exercise of options or warrants or conversion of convertible securities, and (b) the denominator is the total of (i) the 19,961,000 shares of our common stock outstanding on November 17, 2008 and (ii) any shares of our common stock which the person has the right to acquire within 60 days upon the exercise of options or warrants or conversion of convertible securities. Neither the numerator nor the denominator includes shares which may be issued upon the exercise of any other options or warrants or the conversion of any other convertible securities.

As of November 7, 2008, none of our officers or directors was a beneficial owner of our common stock.

Change in Control

The above referenced Exchange Agreement resulted in a change of control at the Company, with Excelvantage and Excelvantage’s sole shareholder, Tim Ho Man, owning 60.12% of the Company’s outstanding equity.

Compensation of Officers

None of our executive officers received compensation in excess of \$100,000 for the fiscal years ended December 31, 2007 or 2006. The following table summarizes all compensation received by our previous and current principal executive officer and principal financial officer for the last two completed fiscal years:

Name & Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified deferred compensation earnings (\$)	All other Compensation (\$)	Total (\$)
Hu Xiaoming, CEO & President (1)	2007	19,231	--	--	--	--	--	--	19,231
Peter Dodge (2)	2007	0	--	--	--	--	--	--	0
	2006	0	--	--	--	--	--	--	0

(1) Mr. Hu was appointed CEO and President of the Company on June 29, 2007.

(2) Mr. Dodge resigned as the Company's President, Chief Executive Officer, Chief Financial Officer, Secretary and Treasurer on June 29, 2007.

As of as of December 31, 2007, the Company did not have any "Grants of Plan-Based Awards," "Outstanding Equity Awards at Fiscal Year-End," "Option Exercises and Stock Vested," "Pension Benefits," or "Nonqualified Deferred Compensation." Nor did the Company have any "Post-Employment Payments" to report.

We currently have no stock option, retirement, pension, or profit-sharing programs for the benefit of directors, officers or other employees.

Employment Agreements

While we do have employment agreements with our executive officers, the salary for our executive officers is at the discretion of our Board of Directors. Mr. Hu Xiaoming's employment agreement provides for an annual salary of RMB 180,000. Ms. Zhu Xioying's employment agreement provides for an annual salary of RMB 120,000. Both employment agreements are for ten year terms, ending June 9, 2014.

Outstanding Equity Awards at Fiscal Year-End

As of December 31, 2007, there were no outstanding equity awards to the named executive officers requiring tabular disclosure.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Securities Exchange Act of 1934 requires that the Company's directors and executive officers and persons who beneficially own more than ten percent (10%) of a registered class of its equity securities, file with the SEC reports of ownership and changes in ownership of its common stock and other equity securities. Executive officers, directors, and greater than ten percent (10%) beneficial owners are required by SEC regulation to furnish the Company with copies of all Section 16(a) reports that they file. Based solely upon a review of the copies of such reports furnished to us or written representations that no other reports were required, the Company believes that, during fiscal year 2007, all filing requirements applicable to its executive officers, directors, and greater than ten percent (10%) beneficial owners were met except for the timely filing of Form 3 by Yao Zhengming and Qian Min upon their appointment as Directors of the Company due to unforeseen delays.

Arrangements or Understandings

There was no arrangement or understanding between any of our directors and any other person pursuant to which any director was to be selected as a director.

Involvement in Certain Legal Proceedings

During the past five (5) years, none of the directors or executive officers has been involved in any legal proceedings that are material to the evaluation of their ability or integrity.

Family Relationships

Hu Wangyuan, a Company Vice President, is the son of our Chairman and Chief Executive Officer, Hu Xiaoming.

Changes in Accountants

Effective on or about August 10, 2007, the Company's Board of Directors dismissed Gately & Associates, LLC, the Company's former independent auditor (the "Former Auditor").

The Former Auditors' audit report on the Company's consolidated financial statements for each of the past two fiscal years, did not contain an adverse opinion or disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope or accounting principles.

During the Company's two fiscal years and through the subsequent interim period preceding the Former Auditor's dismissal on August 10, 2007, (a) there were no disagreements between the Company and the Former Auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of the Former Auditors, would have caused the Former Auditors to make reference to the subject matter of the disagreement in connection with its report; and (b) no reportable events as set forth in Item 304(a)(1)(v)(A) through (D) of Regulation S-K have occurred.

The Company engaged Weinberg & Company, P.A. (the "New Auditor") as its new independent auditor, effective on or about August 10, 2007. During the Company's two fiscal years and subsequent interim period preceding August 10, 2007, the Company has not consulted with the New Auditors regarding the application of accounting principles to a specified transaction, either completed or proposed, or any of the matters or events set forth in Item 304(a)(2) of Regulation S-K.

All of the audit services described below were approved by our Board of Directors prior to rendering of services by our independent accountants. The Board of Directors has determined that the payments made to our independent accountants for these services are compatible with maintaining such auditor's independence.

Audit-Related Matters—Auditor Fees and Services

Audit Fees. The aggregate fees for each of the last two completed fiscal years rendered by the principal accountant for our audits of our annual financial statements and interim reviews of our financial statements included in our filings with Securities and Exchange Commission on Form 10-Ks and 10-Qs services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those years were approximately:

2007	\$ 215,083	Weinberg & Company, P.A.
2006	\$ 0	

Audit-Related Fees. Other than the amounts reported above, there were no fees for assurance and related services by our principal accountant for the last two completed fiscal years.

Tax Fees. There were no fees for tax compliance, tax advice or tax planning services by our principal account for the last two completed fiscal years.

All Other Fees. There were no other fees for either audit-related or non-audit services billed by our principal accountant for the last two completed fiscal years.

Representatives of the principal accountants for the current year and for the most recently completed fiscal year:

- a. Are not expected to be present at the Meeting;
- b. Will have the opportunity to make a statement if they desire to do so; and
- c. Are not expected to be available to respond to appropriate questions.

Policy on Audit Committee Pre-Approval of Audit and Non-Audit Services of Independent Accountant

The Audit Committee’s policy is to pre-approve all audit and non-audit services provided by the independent accountants. These services may include audit services, audit-related services, tax fees, and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is subject to a specific budget. The Audit Committee has delegated pre-approval authority to certain committee members when expedition of services is necessary. The independent accountants and management are required to periodically report to the full Audit Committee regarding the extent of services provided by the independent accountants in accordance with this pre-approval delegation, and the fees for the services performed to date.

Compensation Committee Report

The Compensation Committee has reviewed the Compensation Discussion and Analysis and discussed that analysis with management. Based on its review and discussions with management, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's 2008 Proxy Statement. This report is provided by the following directors, who comprise the Compensation Committee

Zheng Mingyang
Yao Zhengming
Qian Min

Audit Committee Report

The Audit Committee has reviewed and discussed the audited financial statements with our management. The Audit Committee has discussed with our independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61 (Codification of Statements on Auditing Standards, AU Section 380). The Audit Committee has received the written disclosures and the letter from the independent auditors required by Independence Standards Board Standard No. 1, and has discussed with the independent auditors the independent auditors' independence. Additionally, the Audit Committee has reviewed fees charged by the independent auditors and has monitored whether the non-audit services provided by its independent auditors are compatible with maintaining the independence of such auditors. Based upon its reviews and discussions, the Audit Committee recommended to our Board of Directors that the audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2007 for filing with the SEC and the Board approved that recommendation.

Fong Heung Sang
Zheng Mingyang
Yao Zhengming

Delivery of Documents to Shareholders Sharing an Address

Only one Proxy Statement is being delivered to two or more security holders who share an address, unless the Company has received contrary instruction from one or more of the security holders. The Company will promptly deliver, upon written or oral request, a separate copy of the Proxy Statement to a security holder at a shared address to which a single copy of the document was delivered. If you would like to request additional copies of the Proxy Statement, or if in the future you would like to receive multiple copies of information or proxy statements, or annual reports, or, if you are currently receiving multiple copies of these documents and would, in the future, like to receive only a single copy, please so instruct the Company, by writing to us at Jinhua City Industrial Zone, Jinhua, Zhejiang Province, People's Republic of China 321016.

Submission of Shareholder Proposals

If you wish to have a proposal included in our proxy statement and form of proxy for next year's annual meeting in accordance with Rule 14a-8 under the Exchange Act, your proposal must be received by us at our principal executive offices on or before October 19, 2009. A proposal which is received after that date or which otherwise fails to meet the requirements for shareholder proposals established by the SEC will not be included. The submission of a shareholder proposal does not guarantee that it will be included in the proxy statement.

Other Matters

As of the date of this Proxy Statement, the Board of Directors has no knowledge of any business which will be presented for consideration at the Meeting other than the Election of the Directors. Should any other matter be properly presented, it is intended that the enclosed proxy will be voted in accordance with the best judgment of the persons voting the proxies.

We file annual, quarterly and special reports, proxy statements and other information with the SEC. The public may read and copy any materials that we have filed with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains the reports, proxy and information statements and other information regarding Kandi that we have filed electronically with the SEC. The address of the SEC's Internet site is <http://www.sec.gov>.

Annual Report

A copy of the Company's Annual Report on Form 10-K for the year ended December 31, 2007, which has been filed with the SEC pursuant to the 1934 Act, is being mailed to you along with this Proxy Statement. Additional copies of this Proxy Statement and/or the Annual Report, as well as copies of any Quarterly Report may be obtained without charge upon written request to Kandi Technologies, Corp., Jinhua City Industrial Zone, Jinhua, Zhejiang Province, People's Republic of China, 321016, or on the SEC's internet website at www.sec.gov.

BY ORDER OF THE BOARD
OF DIRECTORS

/s/ Hu Xiaoming
Hu Xiaoming
Chairman and Chief Executive
Officer

November 24, 2008

PROXY

KANDI TECHNOLOGIES, CORP.

**PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS FOR THE
ANNUAL MEETING OF STOCKHOLDERS
To Be Held on December 19, 2008**

The stockholder(s) whose signature(s) appear(s) on the reverse side of this proxy form hereby appoint(s) Hu Xiaoming and Zhu Xiaoying, INDIVIDUALLY or any of them as proxies, with full power of substitution, and hereby authorize(s) them to represent and vote all shares of Common Stock of the Company which the stockholder(s) would be entitled to vote on all matters which may come before the Annual Meeting of Stockholders to be held at 12:00 p.m., local time, at the offices of K&L Gates LLP, 599 Lexington Avenue, New York, NY 10022.

This proxy will be voted in accordance with the instructions indicated on the reverse side of this card. If no instructions are given, this proxy will be voted FOR the proposals and in the proxies' discretion upon such other business as may properly come before the meeting and any adjournments or postponements thereof.

(To Be Signed on Reverse Side.)

Please date, sign and mail your proxy card in the envelope provided as soon as possible.

â Please detach along perforated line and mail in the envelope provided. â

FOR THE MATTER SET FORTH BELOW, THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE MATTER SUBMITTED. PLEASE SIGN, DATE, AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE INK AS SHOWN HERE S

1. ELECTION OF DIRECTORS.

Hu Xiaoming, Zhu Xiaoying, Zheng Mingyang, Qian Min, Yao Zhengming, Fong Heung Sang and Hu Wangyuan

- o FOR all nominees, listed above (except as specified below).
- o WITHHOLD AUTHORITY to vote for all nominees listed above.

2. ADOPTION OF THE KANDI TECHNOLOGIES, CORP. 2008 OMNIBUS LONG-TERM INCENTIVE PLAN (THE "2008 OMNIBUS PLAN").

- o FOR the adoption of the 2008 Omnibus Plan.
- o AGAINST the adoption of the 2008 Omnibus Plan.
- o ABSTAIN.

3. RATIFICATION OF WEINBERG & COMPANY, P.A. AS INDEPENDENT AUDITOR FOR KANDI TECHNOLOGIES, CORP. FOR THE YEAR 2008:

- o **FOR ratification of the independent auditor.**
- o **AGAINST ratification of independent auditor.**
- o **ABSTAIN.**

INSTRUCTIONS: TO WITHHOLD AUTHORITY FOR ANY INDICATED NOMINEE, WRITE THE NAME(S) OF THE NOMINEE(S) IN THE SPACE PROVIDED:

Signature of Stockholder

Date:

Signature of Stockholder

Date:

NOTE: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

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APPENDIX A

Kandi Technologies, Corp. 2008 Omnibus Long-Term Incentive Plan

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KANDI TECHNOLOGIES, CORP.
2008 OMNIBUS LONG-TERM INCENTIVE PLAN

Kandi Technologies, Corp., a Delaware corporation (the “Company”), sets forth herein the terms of its 2008 Omnibus Long-Term Incentive Plan (the “Plan”), as follows:

1. PURPOSE

The Plan is intended to enhance the Company’s and its Affiliates’ (as defined herein) ability to attract and retain highly qualified officers, directors, key employees and other persons, and to motivate such officers, directors, key employees and other persons to serve the Company and its Affiliates and to expend maximum effort to improve the business results and earnings of the Company, by providing to such persons an opportunity to acquire or increase a direct proprietary interest in the operations and future success of the Company. To this end, the Plan provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, unrestricted stock and cash awards. Any of these awards may, but need not, be made as performance incentives to reward attainment of annual or long-term performance goals in accordance with the terms hereof. Stock options granted under the Plan may be non-qualified stock options or incentive stock options, as provided herein.

2. DEFINITIONS

For purposes of interpreting the Plan and related documents (including Award Agreements), the following definitions shall apply:

2.1. “Affiliate” means any company or other trade or business that “controls,” is “controlled by” or is “under common control” with the Company within the meaning of Rule 405 of Regulation C under the Securities Act, including, without limitation, any Subsidiary.

2.2. “Annual Incentive Award” means an Award made subject to attainment of performance goals (as described in Section 13) over a performance period of a duration as specified by the Committee.

2.3. “Award” means a grant of an Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Unrestricted Stock, or cash award under the Plan.

2.4. “Award Agreement” means a written agreement between the Company and a Grantee, or notice from the Company to a Grantee, that evidences and sets out the terms and conditions of an Award.

2.5. “Board” means the Board of Directors of the Company.

2.6. “Cause” means, as determined by the Committee and unless otherwise provided in an applicable agreement with the Company or an Affiliate at or before the Grant Date: (i) engaging in any act, omission or misconduct that is injurious to the Company or its Affiliates; (ii) gross negligence or willful misconduct in connection with the performance of duties; (iii) conviction of a criminal offense (other than minor traffic offenses); (iv) fraud, embezzlement or misappropriation of funds or property of the Company or an Affiliate; (v) material breach of any term of any employment, consulting or other services, confidentiality, intellectual property or non-competition agreements, if any, between the Service Provider and the Company or an Affiliate; (vi) the entry of an order duly i