ADVANCED BATTERY TECHNOLOGIES, INC.
Form 10-K/A
April 30, 2010

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

FORM 10-K/A
(Amendment No. 1)

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.
For the fiscal year ended December 31, 2009.

OR

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

Commission File No. 1-33726

ADVANCED BATTERY TECHNOLOGIES, INC,
(Exact Name of Registrant as Specified in its Charter)

Delaware	22-2497491
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer ID Number)

15 West 39th Street, Suite 14A, New York, NY 10018
(Address of principal executive offices)

Issuer's Telephone Number, including Area Code: 212-391-2752

Securities Registered Pursuant to Section 12(b) of the Act: None
Securities Registered Pursuant to Section 12(g) of the Act:

Common Stock, $.001 par value per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 406 of the Securities Act. Yes __ No √

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes __ No √

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 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 disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

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 the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check One)

Large accelerated filer   Accelerated filer X Non-accelerated filer   Small 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 √

State the aggregate market value of the voting and non-voting common equity held by non-affiliates, computed by reference to the price at which the common equity was sold, or the average bid and ask prices of such common equity, as of a specified date within the past 60 days.

The aggregate market value of the Registrant’s common stock, $.001 par value, held by non-affiliates as of June 30, 2009, the last business day of the Registrant’s most recently completed second quarter, was $196,051,597, based on $4.03 per share, the closing price on that date.

As of March 29, 2010 the number of shares outstanding of the Registrant’s common stock was 68,586,531 shares, $.001 par value.

DOCUMENTS INCORPORATED BY REFERENCE: None.

AMENDMENT NO. 1: EXPLANATORY NOTE

This amendment is being filed in order to include the information required in Part III, the entirety of which was omitted from the initial filing.

FORWARD-LOOKING STATEMENTS: NO ASSURANCES INTENDED

In addition to historical information, this Annual Report contains forward-looking statements, which are generally identifiable by use of the words “believes,” “expects,” “intends,” “anticipates,” “plans to,” “estimates,” “projects,” or similar expressions. These forward-looking statements represent Management’s belief as to the future of Advanced Battery Technologies. Whether those beliefs become reality will depend on many factors that are not under Management’s control. Many risks and uncertainties exist that could cause actual results to differ materially from those reflected in these forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in the section entitled “Risk Factors.” Readers are cautioned not to place undue reliance on these forward-looking statements. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements.

PART 1

ITEM 1. BUSINESS

Advanced Battery Technologies, Inc. is a holding company with one direct subsidiary: Cashtech Investment Limited, a British Virgin Islands corporation. Cashtech Investment Limited is, in turn, a holding company with two subsidiaries:

- Harbin ZhongQiang Power-Tech Co., Ltd., a China limited liability company (“Harbin ZQPT”). Harbin ZQPT holds the government lease of the real property on which our battery operations are located. Harbin ZQPT also manages the assets and operations of Heilongjiang ZhongQiang Power-Tech Co., Ltd., which is also a China limited liability company (“ZQ Power-Tech”) under a set of agreements between Harbin ZQPT and the registered owners of ZQ Power-Tech pursuant to which Harbin ZQPT receives all of the benefits and assumes all of the obligations of the business of ZQ Power-Tech. ZQ Power-Tech is engaged in the business of manufacturing and distributing polymer lithium-ion batteries on the property leased to Harbin ZQPT. We are in the process of transferring the assets and operations of ZQ Power-Tech to Harbin ZQPT, but have not yet obtained all of the necessary government approvals.

- Wuxi ZhongQiang Autocycle Co., Ltd., a China limited liability company (“Wuxi ZQ”) that Cashtech Investment Limited acquired in May 2009. Wuxi ZQ is engaged in the business of manufacturing and distributing electric vehicles that utilize batteries manufactured by ZQ Power-Tech.

Advanced Battery Technologies also owns a 49% interest in Beyond E-Tech, Inc., a Texas corporation that distributes cellular telephones in the United States.

ZQ Power-Tech

ZQ Power-Tech is a limited liability company that was organized under the laws of the People's Republic of China in August 2002. ZQ Power-Tech's offices and manufacturing facility are located in northern China, in the Province of Heilongjiang, in the Economy & High-Tech Development Zone of Shuangcheng, which is a suburb of Harbin. The location is approximately 1,000 km northeast of Beijing.

The Harbin Institute of Technology is one of the leading technological institutions in Asia. Two of its engineering professors now serve on ZQ Power-Tech's Scientific Advisory Board, along with a professor of engineering at the China Engineering Academy. This close association with the Harbin Institute of Technology provides ZQ Power-Tech with a rich source of technological talent, such that ZQ Power-Tech's research staff is filled by experienced engineers, many with masters and Ph.D degrees.

ZQ Power-Tech designs, manufactures and markets rechargeable polymer lithium-ion ("PLI") batteries. PLI batteries produce a relatively high average of 3.8 volts per cell, which makes them attractive in terms of both weight and volume. Additionally, they can be manufactured in very thin configurations and with large footprints. PLI cells can be configured in almost any prismatic shape, and can be made thinner than 0.0195 inches (0.5 mm) to fill virtually any shape efficiently. This combination of power and versatility makes rechargeable PLI batteries particularly attractive for use in consumer products such as portable computers, personal digital assistants (PDA's) and cellular telephones.

ZQ Power-Tech's batteries combine high-energy chemistry with state-of-the-art polymer technology. Every battery component is solid, which means that there are no liquids that need to be contained by bulky, heavy cell housings. The result is a safe, thin, lightweight rechargeable battery with a wide operating temperature range. Similar to lithium-ion prismatic rechargeable cells, the ZQ Power-Tech polymer cells do not exhibit a memory problem. This means that they can be recharged at any state of charge, without first having to be completely discharged.

At the present time, ZQ Power-Tech produces only one finished product. This is a cordless miner's lamp equipped with a rechargeable PLI battery. ZQ Power-Tech has sold its miner's lamps to an agency of the Chinese government for several years, but recently expanded its market to private industry. In 2006 ZQ Power-Tech received an order from a Hong Kong-based mining company for 450,000 battery cells for mine lamps, to be delivered over a three year period. As a result of the expanded marketing, ZQ Power-Tech has installed a production line dedicated to mine lamps, which has a production capacity of 100,000 lamps per year. During 2009 the miner's lamp business yielded $13,010,694 in revenue (20.5% of total revenue).

All of ZQ Power-Tech's other sales and pending contracts are for battery cells, which are sold on an OEM basis as a component of a finished product. Among ZQ Power-Tech's current customers are companies that use our batteries in cell phones, companies that use them in laptop computers, and a company that uses our batteries in its digital cameras. One unique market for ZQ Power-Tech's batteries opened when, in August 2007, they were successfully tested by oceanographers in deep sea drilling equipment utilized by the China National Oceanographic Institute. The fastest-growing market for ZQ Power-Tech's batteries, however, has been the manufacturers of battery-powered vehicles.

Vehicle Batteries

During the summer of 2005, ZQ Power-Tech signed a cooperation agreement with the Beijing Institute of Technology to participate in the development of an all-electric bus using ZQ Power-Tech rechargeable batteries. To enhance the potential use of that battery, ZQ Power-Tech entered into a development and supply relationship with Altair Nanotechnologies, Inc. of Reno, Nevada. During 2005 Altair supplied ZQ Power-Tech with nano-structured lithium spinel electrode materials that ZQ Power-Tech has successfully tested in its vehicle batteries. The inclusion of these nanomaterials in ZQ Power-Tech's batteries has significantly increased the power delivery and reduced the time required for recharge. ZQ Power-Tech is currently conducting research and development activities aimed at exploiting the technological advantages that the Altair nanomaterials can provide throughout ZQ Power-Tech's catalog of batteries.

The development of ZQ Power-Tech's vehicle battery technologies has opened the door for a variety of relationships, with the result that ZQ Power-Tech is developing a significant presence in the growing market for vehicle batteries. The initial success of this venture was marked by a $21 million order to supply 3.7 volt PLI battery sets for electric cars manufactured by Aiyingsi Company of Taiwan. After a period of cooperative development, shipments under that order were made to Aiyingsi commencing in 2006.

During 2006 ZQ Power-Tech expanded its relationship with Aiyingsi Company to include development of the world's first "nanopowered" electric scooter. Late in the summer, the Zhong Qiang Institute of Research tested the scooter prototype and found that it could cover 28 miles at up to 18.75 mph with a single 15-minute charge. The potential market for this "alternative" vehicle is broad, including delivery services, surveillance and commuter uses. The environment-friendliness of this technology and other similar technologies used by ZQ Power-Tech were the reason stated by The Organizing Committee of China Innovative Entrepreneur Awards Organization for naming our Chairman, Fu Zhiguo, "China's Outstanding Entrepreneur" in December 2006.

More recent milestones in the growth of ZQ Power-Tech's presence in the low emissions vehicle industry have been:

Ø In July 2006 ZQ Power-Tech received its first commercial order for bus batteries, as a Chinese bus manufacturer ordered five PLI battery packages.

Ø In March 2007 ZQ Power-Tech signed a sales contract with Beijing Guoqiang Global Technology Development Co. Ltd. to supply a total of 3,000 PLI battery sets for use in electric garbage trucks that were designed for the 2008 Olympics. Shipments commenced in May 2007 and continued until February 2008. The full contract was valued at $10,000,000.

- Ø In July 2007 ZAP, a manufacturer of zero emissions vehicles located in the U.S., placed an order to pay $5.168 million for ZQ Power-Tech batteries for use in ZAP's vehicles.

- Ø In March 2008 ZQ Power-Tech announced that it had collaborated with Wuxi Angell on the development of an electric hybrid motorcycle that utilizes ZQ Power-Tech batteries. Three versions of the hybrid motorcycle were introduced to the U.S. market in February 2009.

- Ø In May 2009 ABAT acquired ownership of Wuxi Angell, giving it a captive market for its batteries as well as a dynamic presence in the growing market for electric and hybrid two-wheel vehicles.

- Ø In October 2009 ZQ Power-Tech entered into a one-year $7.8 million contract to provide 48V/15Ah and 72V/50Ah polymer lithium-ion phosphate batteries to U Long Run Sheng Technology Co., Ltd., a leading distributor of power management systems to the electric vehicle industry.

ZQ Power-Tech: Marketing

ZQ Power-Tech has focused its marketing activities in China, with the majority of our sales continuing to be made directly by our marketing department. However we have recently begun to establish relationships with sales representatives in other major markets. Our plan is to significantly expand our market presence now that our facilities have reached an operating level sufficient to service a much higher level of sales.

ZQ Power-Tech: Environmental Regulation

ZQ Power-Tech's operations produce no significant quantity of effluent or air-borne pollution. Therefore ZQ Power-Tech does not incur any significant cost as a result of the environmental regulations of the Chinese government.

ZQ Power-Tech: Intellectual Property

ZQ Power-Tech owns seven Chinese patents, which are patents on:

- A cellular phone battery pole plate.
- A polymer lithium-ion battery and its production method.
- A large capacity polymer lithium-ion battery and its production method.
- An ultra-thin polymer lithium-ion battery for a miner's lamp and its production method.
- A walkie-talkie lithium-ion battery and its production method.
- A mobile phone battery and its production method.
- a nano material lithium ion battery and its production process.

We also hold one US patent (Patent No. 6,994,737 B2), which covers a high capacity polymeric lithium-ion cell and its production method.

Since receiving its initial funding in 2003, ZQ Power Tech has consistently devoted substantial resources to the research and development activities necessary to assure that our polymer lithium-ion batteries remain the state of the art. In 2007, for example, our research and development expenses totaled $383,871, as we developed a second-generation product line and explored the utilization of nanomaterials in our batteries. In 2008, however, the growth of demand for our products focused our attention on expansion of our facilities. Research and development expenses in 2008, therefore, were only $4,463, as our technical personnel were dedicated to the build-out of our assembly lines with new equipment. In 2009, having completed the build-out, we renewed our focus on research and development, with an expenditure of $476,196.

The technology utilized in producing polymer lithium-ion batteries is widely available throughout the world, and is utilized by many competitors, both great and small. ZQ Power-Tech's patents give it some competitive advantage with respect to certain products. However, the key to competitive success will be ZQ Power Tech's ability to deliver high quality products in a cost-efficient manner. This, in turn, will depend on the quality and efficiency of the assembly lines that we have been developing at our plant in Harbin.

Wuxi ZQ

In light of the rapid expansion of the market for battery-powered vehicles, in May 2009 the Company's subsidiary, Cashtech Investment Limited, acquired all of the registered capital of Wuxi Angell Autocycle Co., Ltd. ("Wuxi ZQ") in exchange for three million shares of ABAT common stock. Since the acquisition, we have been engaged in integrating the operations of Wuxi ZQ with those of ZQ Power-Tech. Although each subsidiary will continue to maintain its manufacturing operations at its existing location, we are rapidly developing systems for sharing the capabilities of the two companies with respect to technical design, marketing, production and human resources.

Wuxi ZQ is located in the City of Wuxi Economic and Technology Development Zone, in Jiangsu Province, about 100 kilometers west of Shanghai. Since 2002, Wuxi ZQ has been engaged in the design, development, manufacture and marketing of electric- and hybrid-powered two wheel vehicles, as well as electric-powered agricultural transport vehicles and sport utility e-vehicles. The prices of Wuxi ZQ vehicles range from $427 to $3471, with an average selling price of $957. Wuxi ZQ markets not only complete vehicles but also components, including motors, electronic controls, meters and plastic parts. Wuxi ZQ has developed a reputation for delivering vehicles that excel in both performance and style. With low noise, easy maintenance and a stable drive, the Wuxi ZQ scooters and e-bicycles are designed to capture the opportunities presented by China's recent emphasis on reducing air pollution and the degradation of China's environment that has accompanied its rapid industrialization.

Before ABAT acquired Wuxi ZQ, Wuxi ZQ was a major customer of ZQ Power-Tech. Beginning in 2008 Wuxi ZQ and ZQ Power-Tech cooperated in the development of a series of hybrid motorcycles that are outfitted with 48V/15Ah lithium-ion batteries. A computerized control puts the motorcycle on electric-only drive at low speeds, then initiates the gas engine at higher speeds. In testing by the China North Vehicle Research Institute, the hybrid motorcycles demonstrated 35 percent lower emissions than conventional gas-powered motorcycles, 20 percent increased fuel economy, and equivalent road performance. The hybrid products were introduced at industry shows in the U.S. and Europe in early 2009.

Currently Wuxi ZQ has four production lines within its manufacturing facility, with the capability of expanding production in response to demand. The production lines currently manufacture 20 types of vehicles, and each line is capable of manufacturing 100 vehicles per day. Wuxi's manufacturing operation has achieved certification under ISO9001:2000 standards, as well as certification under the standards of China's industrial oversight agencies.

Wuxi ZQ: Marketing

Wuxi ZQ markets its electric vehicles primarily through a network of distributors in selected locations worldwide. Included among Wuxi ZQ's distributors are:

- Motoran Company, Turkey's third largest two-wheeler importer, which is expected to purchase at least 1,500 scooters per month;
- Floretti, a Netherlands-based distributor that is expected to distribute 5,000 of Wuxi ZQ's lithium battery powered motorcycles in Europe in 2010; and
- Ampere, a distributor based in India that is likewise expected to purchase 5,000 motorcycles for delivery in 2010.

Within the past year Wuxi ZQ has also signed orders of significant size for delivery electric vehicles to distributors in Indonesia, Denmark, Israel, Italy, Chile, Brazil and others. Most of Wuxi ZQ's products carry both EEC and DOT(EPA) certification.

In order to present itself as a viable participant in the movement toward "green" vehicles, Wuxi ZQ participates in industry shows and fairs throughout the world. Within the past year, Wuxi ZQ has exhibited at IFMA Cologne, EICMA Milan, Dealer Expo 2009 in Indianapolis, the Canton Fair, and the China International Bicycle and Motor Fair, among others.

Wuxi ZQ: Environmental Regulation

The operations of Wuxi ZQ are governed by both national and local environmental regulations. During the period from November 2009 to February 2010, Wuxi installed an underground sewer in order to achieve compliance with a local environmental protection regulation. The total cost of the sewer project was 4,684,830 RMB (approximately $685,000). Wuxi ZQ has not had incurred any other significant expenditures in order to comply with environmental rules.

Wuxi ZQ: Intellectual Property

Wuxi ZQ owns 14 patents issued by the government of China. The patents cover inventions by Wuxi ZQ in the areas of e-scooter appearance, electric bicycle appearance, water dispenser design, motor technology, and wheel design. The patents are issued for ten years, and will terminate at times from 2013 to 2017.

Backlog

ZQ Power Tech's backlog of sales orders totaled approximately $44.3million on February 28, 2010, all of which is scheduled for delivery within the current fiscal year. Wuxi ZQ's backlog of sales orders totaled approximately $5.4 million on February 28, 2010, all of which is scheduled for delivery within the current fiscal year. On March 12, 2009, our backlog of orders totaled approximately $63.6 million, all of which were orders for batteries or miners' lamps.

Employees

Advanced Battery Technologies has 4 employees, all of whom are involved in administration in our New York office. ZQ Power-Tech and Wuxi ZQ collectively have 850 employees. 96 are involved in administration, 48 are involved in marketing, and 10 are involved in research and development and related technology services. The remainder is employed in production capacities. None of our employees belongs to a collective bargaining unit.

In August 2009 ZQ Power-Tech announced that it had commenced construction of an employee vocational training center within its production base in Shuangcheng, near Harbin. The training center, which is expected to be completed later in 2010, will cover 25,000 square meters, consisting of an academic center, student activity buildings and a living area. The center will be utilized as a source of skilled personnel for both ZQ Power-Tech and Wuxi ZQ, thus alleviating one of the major hurdles to expansion in both the battery and the electric vehicle industries - recruiting the necessary personnel.

Investment in Cell Phone Distributor

In December 2008 Advanced Battery Technologies purchased a 49% equity interest in Beyond E-Tech, Inc., a corporation located in Texas that distributes cellular telephones manufactured in China to its order by Flying Technology Development Co. and Lenovo China. The purchase price for the shares was $1.5 million cash. The purchase agreement provided that as long as Advanced Battery Technologies remains a shareholder of Beyond E-Tech, all phones sold by Beyond E-Tech would be powered by ZQ Power-Tech batteries. Although Beyond E-Tech has only recently begun operations, Advanced Battery Technologies' management considers the investment a reasonable means of securing a dedicated customer and a potential for ancillary profits.

ITEM 1A. RISK FACTORS

Investing in our common stock involves a significant degree of risk. You should carefully consider the risks described below together with all of the other information contained in this Report, including the financial statements and the related notes, before deciding whether to purchase any shares of our common stock. If any of the following risks occurs, our business, financial condition or operating results could materially suffer. In that event, the trading price of our common stock could decline and you may lose all or part of your investment.

Risks Attendant to our Business Operations.

We may be unable to gain a substantial share of the market for batteries.

Our business operations are based on the marketing of rechargeable polymer lithium-ion batteries, both on an OEM basis and as components of our scooters and miner's lamps. There are many companies, large and small, involved in the market for rechargeable batteries. Some of our existing and potential competitors have longer operating histories and significantly greater financial, technical, marketing and other resources. It will be difficult for us to establish a reputation in the market so that manufacturers chose to use our batteries rather than those of our competitors. Unless we are able to expand our sales volume significantly, we will not be able to improve the efficiency of our operation.

Our recent acquisition of Wuxi ZQ may result in reduced profitability.

In May 2009 we acquired ownership of Wuxi ZhongQiang Autocycle Co., Ltd., a manufacturer of motor scooters and other electric vehicles. Wuxi ZQ recorded substantial net losses in each of its past two fiscal years: a net loss of $3,727,136 in the year ended December 31, 2008 and a net loss of $1,150,719 in the year ended December 31, 2007. In 2009, even after we took control of management,Wuxi ZQ continued to lose money, finishing 2009 with a net loss of $1,392,821. Unless we are able to develop Wuxi ZQ into a consistently profitable operation, it will have a negative effect on our operating results. In addition, the effort to integrate Wuxi ZQ into our overall operations may distract management from our core battery business, which could result in reduced growth in that business. Finally, consideration must be given to the fact that Wuxi ZQ was one of our largest customers prior to the acquisition, but our reported revenue after the acquisition no longer includes sales to Wuxi ZQ, which has slowed the revenue growth of our company.

Our business and growth will suffer if we are unable to hire and retain key personnel that are in high demand.

Our future success depends on our ability to attract and retain highly skilled engineers, technical, marketing and customer service personnel, especially qualified personnel for our operations in China. Qualified individuals are in high demand in China, and there are insufficient experienced personnel to fill the demand. Therefore we may not be able to successfully attract or retain the personnel we need to succeed.

We may not be able to adequately protect our intellectual property, which could cause us to be less competitive.

We are continuously designing and developing new technology. We rely on a combination of copyright and trade secret laws and restrictions on disclosure to protect our intellectual property rights. Unauthorized use of our technology could damage our ability to compete effectively. In China, monitoring unauthorized use of our products is difficult and costly. In addition, intellectual property law in China is less developed than in the United States and historically China has not protected intellectual property to the same extent as it is protected in other jurisdictions, such as the United States. Any resort to litigation to enforce our intellectual property rights could result in substantial costs and diversion of our resources, and might be unsuccessful.

We may have difficulty establishing adequate management and financial controls in China and in complying with U.S. corporate governance and accounting requirements.

The People's Republic of China has only recently begun to adopt the management and financial reporting concepts and practices that investors in the United States are familiar with. We may have difficulty in hiring and retaining employees in China who have the experience necessary to implement the kind of management and financial controls that are expected of a United States public company. If we cannot establish such controls, we may experience difficulty in collecting financial data and preparing financial statements, books of account and corporate records and instituting business practices that meet U.S. standards.

We are also subject to the rules and regulations of the United States, including the SEC, the Sarbanes-Oxley Act of 2002 and the rules and regulations of the NASDAQ Stock Market. We expect to incur significant costs associated with our public company reporting requirements, costs associated with applicable corporate governance requirements, including requirements under the Sarbanes-Oxley Act of 2002 and other rules implemented by the SEC and requirements in connection with the continued listing of our common stock on the NASDAQ Stock Market. If we cannot assess our internal control over financial reporting as effective, or our independent registered public accountants are unable to provide an unqualified attestation report on such assessment, investor confidence and share value may be negatively impacted.

Since most of our assets are located in China, any dividends or proceeds from liquidation are subject to the approval of the relevant Chinese government agencies.

Our assets are predominantly located inside China. Under the laws governing Foreign-invested Entities in China, dividend distribution and liquidation are allowed but subject to special procedures under the relevant laws and rules. Any dividend payment will be subject to the decision of the board of directors and subject to foreign exchange rules governing such repatriation. Any liquidation is subject to both the relevant government agency's approval and supervision as well the foreign exchange control. This may generate additional risk for our investors in case of dividend payment or liquidation.

We have limited business insurance coverage.

The insurance industry in China is still at an early stage of development. Insurance companies in China offer limited business insurance products, and do not, to our knowledge, offer business liability insurance. As a result, we do not have any business liability insurance coverage for our operations. Moreover, while business disruption insurance is available, we have determined that the risks of disruption and cost of the insurance are such that we do not require it at this time. Any business disruption, litigation or natural disaster might result in substantial costs and diversion of our resources.

Our operations are international, and we are subject to significant political, economic, legal and other uncertainties (including, but not limited to, trade barriers and taxes that may have an adverse effect on our business and operations.

We manufacture all of our products in China and substantially all of the net book value of our total fixed assets is located there. However, we sell our products to customers outside of China as well as domestically. As a result, we may experience barriers to conducting business and trade in our targeted markets in the form of delayed customs clearances, customs duties and tariffs. In addition, we may be subject to repatriation taxes levied upon the exchange of income from local currency into foreign currency, as well as substantial taxes of profits, revenues, assets or payroll, as well as value-added tax. The markets in which we plan to operate may impose onerous and unpredictable duties, tariffs and taxes on our business and products. Any of these barriers and taxes could have an adverse effect on our finances and operations.

Environmental compliance and remediation could result in substantially increased capital requirements and operating costs.

Our operating subsidiaries, ZQ Power-Tech and Wuxi ZQ, are subject to numerous Chinese provincial and local laws and regulations relating to the protection of the environment. These laws continue to evolve and are becoming increasingly stringent. The ultimate impact of complying with such laws and regulations is not always clearly known or determinable because regulations under some of these laws have not yet been promulgated or are undergoing revision. Our consolidated business and operating results could be materially and adversely affected if ZQ Power-Tech or Wuxi ZQ were required to increase expenditures to comply with any new environmental regulations affecting its operations.

We may be required to raise additional financing by issuing new securities with terms or rights superior to those of our shares of common stock, which could adversely affect the market price of our shares of common stock.
We may require additional financing to fund future operations, develop and exploit existing and new products and to expand into new markets. We may not be able to obtain financing on favorable terms, if at all. If we raise additional funds by issuing equity securities, the percentage ownership of our current shareholders will be reduced, and the holders of the new equity securities may have rights superior to those of the holders of shares of common stock, which could adversely affect the market price and the voting power of shares of our common stock. If we raise additional funds by issuing debt securities, the holders of these debt securities would similarly have some rights senior to those of the holders of shares of common stock, and the terms of these debt securities could impose restrictions on operations and create a significant interest expense for us.

The NASDAQ Capital Market may delist our common stock from trading on its exchange, which could limit investors' ability to effect transactions in our common stock and subject us to additional trading restrictions.

Our common stock is listed on the NASDAQ Capital Market. We cannot assure you that our common stock will continue to be listed on the NASDAQ Capital Market in the future. If the NASDAQ Capital Market delists our common stock from trading on its exchange, we could face significant material adverse consequences including:

- a limited availability of market quotations for our common stock;
- a limited amount of news and analyst coverage for our company; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

We do not intend to pay any cash dividends on our common stock in the foreseeable future and, therefore, any return on your investment in our common stock must come from increases in the fair market value and trading price of our common stock.

We have never paid a cash dividend on our common stock. We do not intend to pay cash dividends on our common stock in the foreseeable future and, therefore, any return on your investment in our common stock must come from increases in the fair market value and trading price of our common stock.

Our international operations require us to comply with a number of U.S. and international regulations.

We need to comply with a number of international regulations in countries outside of the United States. In addition, we must comply with the Foreign Corrupt Practices Act, or FCPA, which prohibits U.S. companies or their agents and employees from providing anything of value to a foreign official for the purposes of influencing any act or decision of these individuals in their official capacity to help obtain or retain business, direct business to any person or corporate entity or obtain any unfair advantage. Any failure by us to adopt appropriate compliance procedures and ensure that our employees and agents comply with the FCPA and applicable laws and regulations in foreign jurisdictions could result in substantial penalties or restrictions on our ability to conduct business in certain foreign jurisdictions. The U.S. Department of The Treasury's Office of Foreign Asset Control, or OFAC, administers and enforces economic and trade sanctions against targeted foreign countries, entities and individuals based on U.S. foreign policy and national security goals. As a result, we are restricted from entering into transactions with certain targeted foreign countries, entities and individuals except as permitted by OFAC which may reduce our future growth.

All of our assets are located in China and changes in the political and economic policies of the PRC government could have a significant impact upon what business we may be able to conduct in the PRC and accordingly on the results of our operations and financial condition.

Our business operations may be adversely affected by the current and future political environment in the PRC. The Chinese government exerts substantial influence and control over the manner in which we must conduct our business activities. Our ability to operate in China may be adversely affected by changes in Chinese laws and regulations, including those relating to taxation, import and export tariffs, raw materials, environmental regulations, land use rights, property and other matters. Under the current government leadership, the government of the PRC has been pursuing economic reform policies that encourage private economic activity and greater economic decentralization. There is no assurance, however, that the government of the PRC will continue to pursue these policies, or that it will not significantly alter these policies from time to time without notice.

Our operations are subject to PRC laws and regulations that are sometimes vague and uncertain. Any changes in such PRC laws and regulations, or the interpretations thereof, may have a material and adverse effect on our business.

Our principal operating subsidiary, ZQ Power-Tech, is considered a foreign invested enterprise under PRC laws, and as a result is required to comply with PRC laws and regulations. Unlike the common law system prevalent in the United States, decided legal cases have little value as precedent in China. There are substantial uncertainties regarding the interpretation and application of PRC laws and regulations, including but not limited to the laws and regulations governing our business and the enforcement and performance of our arrangements with customers in the event of the imposition of statutory liens, death, bankruptcy or criminal proceedings. The Chinese government has been developing a comprehensive system of commercial laws. However, because these laws and regulations are relatively new, and because of the limited volume of published cases and judicial interpretation and their lack of force as precedents, interpretation and enforcement of these laws and regulations involve significant uncertainties. New laws and regulations that affect existing and proposed future businesses may also be applied retroactively. We cannot predict what effect the interpretation of existing or new PRC laws or regulations may have on our businesses. If the relevant authorities find us in violation of PRC laws or regulations, they would have broad discretion in dealing with such a violation.

The scope of our business license in China is limited, and we may not expand or continue our business without government approval and renewal, respectively.

Our principal operating subsidiary, ZQ Power-Tech, is a wholly foreign-owned enterprise organized under PRC law, commonly known as a WFOE. A WFOE can only conduct business within its approved business scope, which ultimately appears on its business license. In order for us to expand our business beyond the scope of our license, we will be required to enter into a negotiation with the authorities for the approval to expand the scope of our business. We cannot assure you that ZQ Power-Tech will be able to obtain the necessary government approval for any change or expansion of our business scope.

Our business development, future performance, strategic plans, and other objectives would be hindered if we lost the services of our Chairman.

Fu Zhiguo is the Chief Executive Officer of Advanced Battery Technologies and of our operating subsidiaries, ZQ Power-Tech and Wuxi ZQ. Mr. Fu is responsible for strategizing not only our business plan but also the means of financing it. If Mr. Fu were to leave Advanced Battery Technologies or become unable to fulfill his responsibilities, our business would be imperiled. At the very least, there would be a delay in the development of Advanced Battery Technologies until a suitable replacement for Mr. Fu could be retained.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The People's Republic of China has given ZQ Power-Tech a lease to use the 72,000 square meter campus in Harbin, China where ZQ Power-Tech's offices and manufacturing facility are located. The campus is 24 km from the nearest airport. The nearest port is Da Lian. The lease expires in September 2043. ZQ Power-Tech is not required to pay any rental for the property as long as it continues to utilize the property for manufacturing.

From 2004 to 2006 ZQ Power-Tech carried on a program of expanding its production facility. In 2006 it completed Building A and Building B, 30,000 square feet of manufacturing capacity, which in 2008 ZQ Power-Tech upgraded, so that those two buildings reached a production capacity of approximately $50,000,000 per year, depending on the specific products being produced. Due to the rapid increase in the Company's sales, between 2008 and 2009 Management developed additional assembly lines in Building C and Building D. These additional lines became operational in July 2009, increasing ZQ Power-Tech's production capacity by 165%. Management is now upgrading the production lines in Buildings A and B to again increase productivity.

In November 2003 ZQ Power-Tech received ISO9001 certification pertaining to Manufacturing and Quality Control Approval.

Wuxi ZQ utilizes a 80,000 square meter manufacturing facility in the City of Wuxi with a production floor space of 47,837 square meters. The research and development division occupies 3,000 square meters. Most of the remainder is dedicated to inventory, sales and administration.

ITEM 3. LEGAL PROCEEDINGS

Susquehanna Financial Group, LLLP v. Advanced Battery Technologies, Inc. In September 2008 Susquehanna Financial Group, LLLP ("SFG") commenced this action in the Court of Common Pleas of Montgomery County, Pennsylvania (Civil Action No. 08-25505). SFG alleges that it was party to two contracts with the Company, pursuant to which SFG alleges that it was entitled to serve as financial advisor with respect to any offering of securities by the Company completed prior to March 2009. SFG alleges that the Company failed to afford SFG the opportunity to serve as financial advisor in connection with the private placement by the Company in August 2008. SFG alleges that it is entitled to damages in the amount of $1,359,872.46 and a warrant to purchase 81,882 share of the Company's common stock exercisable at $8.00 per share. The Company has answered the Complaint, and has denied that SFG was entitled to serve as financial advisor in connection with the August 2008 private placement by reason of the fact that SFG had terminated its agreements with the Company, had waived any continuing rights under the contracts, and had acted in bad faith in connection with the services it undertook to perform for the Company.

Sui-Yang Huang v. Advanced Battery Technologies, Inc. In September 2009, Sui-Yang Huang commenced this action in the United States District Court for the Southern District of New York (Civil Action: 09 Civ. 8297). The plaintiff was the Company's Chief Technological Officer at that time. The complaint alleges that ABAT breached its employment contract with Mr. Huang, and demands between $1.25 million and $5 million in damages. The Company believes that the alleged claim has no merit and has answered the complaint denying liability.

PART II

ITEM 4. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

(a) Market Information

Since February 26, 2008, the Company's common stock has been listed on the NASDAQ Capital Market under the symbol "ABAT." Prior to listing on NASDAQ, the Company's common stock was quoted on the American Stock Exchange.

Set forth below are the high and low sales for each of the eight quarters in the past two fiscal years.

	Bid	
Quarter Ending	High	Low
March 31, 2008	$5.50	$3.50
June 30, 2008	$6.40	$2.99
September 30, 2008	$6.00	$2.99
December 31, 2008	$3.40	$1.17
March 31, 2009	$3.04	$1.68
June 30, 2009	$4.39	$2.10
September 30, 2009	$5.04	$3.57
December 31, 2009	$4.26	$3.08

(b) Shareholders

Our shareholders list contains the names of 398 registered stockholders of record of the Company's Common Stock.

(c) Dividends

The Company has never paid or declared any cash dividends on its Common Stock and does not foresee doing so in the foreseeable future. The Company intends to retain any future earnings for the operation and expansion of the business. Any decision as to future payment of dividends will depend on the available earnings, the capital requirements of the Company, its general financial condition and other factors deemed pertinent by the Board of Directors

(d) Securities Authorized for Issuance Under Equity Compensation Plans

The information set forth in the table below regarding equity compensation plans (which include individual compensation arrangements) was determined as of December 31, 2009.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
	0	N.A.	5,000,000(1)

Equity compensation plans approved by security holders			
Equity compensation plans not approved by security holders	340,000	$2.66	891,000(2)
Total	340,000	$2.66	5,891,000

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(1) In 2009 the Board of Directors and shareholders approved the 2009 Equity Incentive Plan. The Plan authorized the Board to issue up to 5,000,000 common shares during the ten year period of the Plan. The shares may be awarded to employees or directors of Advanced Battery Technologies or its subsidiaries as well as to consultants to those entities. The shares may be awarded as outright grants or in the form of options or restricted stock. 5,000,000 shares remain available for issuance under the plan.

(2) In 2006 the Board of Directors adopted the 2006 Equity Incentive Plan. The Plan authorized the Board to issue up to 8,000,000 common shares during the ten year period of the Plan. The shares may be awarded to employees or directors of Advanced Battery Technologies or its subsidiaries as well as to consultants to those entities. The shares may be awarded as outright grants or in the form of options, restricted stock or performance shares. 891,000 shares remain available for issuance under the plan.

(e) Sale of Unregistered Securities

Advanced Battery did not effect any unregistered sales of equity securities during the 4th quarter of 2009.

(f) Repurchase of Equity Securities

Advanced Battery did not repurchase any shares of its common stock during the 4th quarter of 2009.

ITEM 5. SELECTED FINANCIAL DATA

	2009	2008	2007	2006	2005
Revenue	$63,561,925	$45,172,111	$31,897,618	$16,329,340	$4,222,960
Net Income/(Loss)	$21,359,637	$16,096,120	$10,205,406	$8,040,752	$(157,637)
Net Income/(Loss) Per Share – Diluted	$0.35	$0.31	$0.21	$0.17	$(0.01)
Total Assets	$157,826,354	$77,752,231	$38,723,210	$22,521,982	$17,158,364
Long-Term Debt	$20,689,597	--	$411,263	$384,413	--
Shareholders’ Equity	$131,932,431	$76,454,596	$36,476,504	$23,206,350	$9,086,632
Shareholders’ Equity Per Share	$1.92	$1.40	$0.73	$0.47	$0.22

ITEM 6.MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008

Near the end of 2004, ZQ Power-Tech obtained the financing needed to complete additional factory facilities at ZQ Power-Tech's campus in Heilongjiang. Since 2004, the number of employees at our facilities has increased from 300 to 850 as of December 31 2009. The increase has occurred because we more than doubled our battery production capacity and we acquired an electric vehicle manufacturer in May 2009.

In 2008 our battery production capacity was $45 million per year with two buildings ("A" and "B") in full production. As our revenues in 2008 reached $45 million and continue to grow, the need to outfit buildings "C" and "D" so as to double our production capacity became apparent. Toward that end, during 2008 we completed an equity placement to obtain the capital necessary for the expansion. In July 2009, the two new production lines, "C" and "D", became operational with automated equipment. In August 2009, we decided to upgrade the capacity of "A" and "B" with further investment in automated equipment. We expect to invest approximately $6.5 million in this upgrade of "A" and "B", which will increase our annual battery production capacity to over $100 million when the upgrade is completed in the second quarter of 2010.

On May 4, 2009, Cashtech Investment Limited, a wholly-owned subsidiary of the Company, acquired ownership of 100% of the registered capital of Wuxi Angell Autocycle Co., Ltd. in exchange for three million shares of the Company's common stock. Immediately after the completion of acquisition, Wuxi Angell Autocycle Co. Ltd. was renamed as Wuxi Zhongqiang Autocycle Co., Ltd. ("Wuxi ZQ"). In June and October 2009, in order to support the future growth of our newly acquired electric vehicle business and to facilitate an expansion of our battery production, we completed additional equity placements, obtaining net proceeds of approximately $16,091,868 in June and $18,017,350 in October and $6,679,499 in December.

The following tables present certain consolidated statement of operations information. Financial information is presented for the year ended December 31, 2009 and 2008 respectively.

	For the Year Ended December 31,			
			Change	
	2009	2008	Amount	%
Revenues	$63,561,925	$45,172,111	$18,389,814	40.7 %
Cost of Goods Sold	35,169,478	23,122,610	$12,046,868	52.1 %
Gross Profit	28,392,447	22,049,501	$6,342,946	28.8 %
Operation Expenses	11,502,514	3,267,872	$8,234,642	252.0 %
Operation Income	16,889,933	18,781,629	$(1,891,696)	-10.1 %
Net Income	$21,359,637	$16,096,120	$5,263,517	32.7 %

Revenues

We had total revenues of $63,561,925 for 2009, an increase of $18,389,814 or 40.7%, compared to $45,172,111 for 2008. The increase in revenues was primarily due to the contribution of sales from the electric vehicle business, which the Company acquired on May 4, 2009. Sales of electric vehicles after May 4, 2009 totaled $20,329,895. At the same time, the acquisition of Wuxi ZQ resulted in flat year-to-year results in battery sales, since Wuxi Angell had been a major customer of our battery business. Sales of batteries to Wuxi ZQ are included in our 2008 financial results and excluded from our 2009 financial results, since we acquired ownership of Wuxi ZQ in May 2009. If sales to Wuxi ZQ are excluded from our 2008 results, our revenue from battery sales increased by around $4.7 million in 2009, compared to 2008.

The growth in our battery business has been accompanied by a reorientation in the relative importance of different battery sizes. When we first entered the battery business in 2003 and during the following years, the bulk of our sales were small capacity batteries, primarily those used in consumer electronic devices. Our growth, however, has been propelled by customers for our medium capacity batteries (used for electric scooters, electric bicycles, power tools, miners’ lamps, searchlights, etc.) and large capacity batteries (used for electric sanitation vehicles, stationary applications, and other large scale battery applications). In the years ended December 31, 2009 and 2008, the contribution of batteries in these categories as well as the contribution of electric vehicles to our total revenues was:

	Year ended December 31, 2009			Year ended December 31, 2008		
	Amount (US$)	% (of total revenue)		Amount (US$)	% (of total revenue)	
Small Capacity Battery	4,040,333	6.36	%	4,727,223	10.5	%
Medium Capacity Battery	9,923,292	15.61	%	16,200,079	35.9	%
Large Capacity Battery	16,257,711	25.58	%	13,467,511	29.8	%
Miner's Lamp	13,010,694	20.47	%	10,777,298	23.8	%
Electric Vehicle	20,329,895	31.98	%	0	0	%
Total	63,561,925	100.00	%	45,172,111	100	%

The increase in the portion of our revenue attributable to medium and large capacity batteries has been beneficial to our overall business. The margins that we are able to achieve in selling larger capacity batteries are significantly greater than the margins we achieve in selling smaller capacity batteries, due primarily to the relative amount of competition in the different markets.

At February 28, 2010 we had a backlog of around $49.7 million for delivery throughout the next 12 months, including a battery backlog of approximately $44.3 million. Therefore we expect to expand on the level of operations that we achieved during 2009.

Gross Profit.

Our cost of goods sold consists of the cost of raw materials, labor costs and production overhead. In 2009, our revenue increased by 40.7% and our cost of goods sold increased by 52.1%, from $23,122,610 to $35,169,478, compared to 2008. This disparate growth in cost of sales is mainly attributable to the higher proportion of sales from lower margin products, i.e. electrical vehicles. After eliminating intercompany sales, during May 4 to the end of 2009 Wuxi ZQ achieved only approximately 33.2% gross margin, while our battery manufacturing operations achieved a 49.9% gross margin. The overall result of combining our operations with those of Wuxi ZQ was a reduction in our gross margin from 48.8% in 2008 to 44.7% in 2009.

Our expectation is that the operations of Wuxi ZQ will become more profitable in 2010. The transfer of ownership and management in 2009 led to inefficiencies in the operations of that company. In addition, since the acquisition, our management has been working aggressively to reduce unnecessary expenses at Wuxi ZQ.

Operating expenses

The Company's operating expenses increased by 252.0%, from $3,267,872 in 2008 to $11,502,514 in 2009. The increase was almost entirely attributable to the expansion of our operations, as operating expenses in Heilongjiang ZQPT, our main battery production base in China, increased by only $0.20 million during 2009. The primary reasons for the year-to-year increase in operating expenses were:

$5.4 million in selling and administration expenses incurred by Wuxi ZQ after the acquisition on May 4 2009. Wuxi ZQ's selling expenses included $1,000,000 advertising expense. The Wuxi ZQ expenses also included satisfaction of approximately $1,200,000 in debts that were incurred in prior periods but were not previously recorded.

Higher administration expenses related to our US office, including salaries, legal fees and marketing expenses related to our equity offerings and annual meeting, as well as expenses attributable to ongoing litigation.

An increase of $1,326,177 in noncash stock and option compensation amortization expense in 2009

Included in our general and administrative expense during the year ended December 31, 2009 was $2,063,215 attributable to amortization of the market value of stock and options that we granted to employees or consultants. This non-cash expense resulted from our use of stock during our early years to incentivize key individuals. The market value of the stock at the time it was issued is being amortized over the term of the employee's or consultant's services, thus:

In the case of employees, the period of amortization is based on a vesting schedule included in the employees' contracts. The average vesting period for the employees is 10.4 years.

In the case of consultants, the period of amortization is based on the term of the consulting contracts, although amortization will be accelerated if the consulting relationship ceases. Again, to date, the consultants who received stock have remained involved in the Company's affairs, so there has been no acceleration of amortization.

At December 31, 2009 there remained $6,123,762 in unamortized stock compensation on the Company's books. The amortization of this sum will contribute to our operating expenses as described above.

As noted, approximately $2.2 million of the operating expenses incurred by Wuxi ZQ in 2009 were "clean-ups" of bad situations that existed when we acquired Wuxi ZQ or the marketing promotion efforts after acquisition. We do not expect such expenses to be recurrent. We expect, therefore, that we will be able to reduce our operating expenses in 2010, particularly as the ongoing consolidation of the administration of Wuxi ZQ with the administration of Heilongjiang ZQPT should yield operating efficiencies.

During 2009 we recorded $10,702,305 in "other income (expenses). The primary components of this charge were:

$210,321 in net interest expenses,

an investment loss of $17,401 related to our investment in Beyond E-Tech, Inc.,

an income of $666,839 related to the change in the fair value of our outstanding common stock purchase warrants, and

a $9,909,320 gain on bargain purchase arising from our acquisition of Wuxi ZQ.

In 2009, we realized $210,321 in net interest expenses. We incurred $501,096 in interest expense on Wuxi ZQ's short-term bank loan. This was partially offset by $160,000 in interest income that we earned by lending $1.6 million to a non-related company, Harbin Jinhuida Investment Consulting Limited, at an interest rate of 10% per annum, and by interest on our cash deposited in Chinese banks. Additionally, in 2009 we recognized $336,906 income due to the forgiveness of interest payable on our existing short-term loans after negotiation with banks who loaned to Wuxi ZQ before acquisition.

Furthermore, for the year ended December 31 2009, we recognized a $17,401 investment loss from our 49% equity investment in Beyond E-Tech, Inc., a Texas corporation recently organized to engage in distributing cellular telephones in the United States. The acquisition has been recorded as an "investment in unconsolidated entity" on our balance sheet, and our participation in that business will be accounted for through the equity method. Because Beyond E-Tech incurred a net loss of $35,512 in 2009, we recorded a $17,401 reduction in the value of its equity on our books.

In 2008 and 2009, the Company issued warrants in conjunction with the issuance of common shares or convertible preferred stock. The warrants permit the investors to buy additional common shares at the prices specified in the warrant agreements. Because the Company may be required to repurchase the warrants at their fair value in certain circumstances, the fair value of the warrants has been recorded as a liability on our balance sheet. At the end of each quarter, we re-calculate the fair value of the warrants by Black-Scholes model, and record any increase or decrease in that fair value as other income or other expense. During 2009, the change in the fair value of warrants was $666,839, which was recognized as other income for the year ended December 31, 2009. If in future quarters the warrants decrease in value (e.g. by reason of an increase in the market price of our common stock), we will record an other expense equal to the amount of the increase.

Our acquisition of Wuxi ZQ in May 2009 resulted in a $9,909,320 gain on bargain purchase. This occurred because the fair value of the net assets of Wuxi ZQ was $19,779,320, but the 3,000,000 common shares that we paid to acquire Wuxi ZQ had a market value of only $9,870,000. We recorded the $9,909,320 difference as "other income."

The Company's revenue less expenses produced pre-tax income of $27,592,238 for the year ended December 31, 2009, representing an increase of $8,773,711 from 2008. In 2009, our domestic (U.S.) pre-tax loss was $ 3,686,549 (including $666,839 other income due to change in fair value of warrants); foreign (China) pre-tax income was $29,055,793, which includes the $9,909,320 gain on bargain purchase recognized in the second quarter of 2009. The income tax accrued as a result of our operations was $2,764,339. The deferred income tax accrued in 2009 because of the gain on bargain purchase was $3,468,262. As a result of Chinese tax laws that reward foreign investment in China, currently and through 2010 ZQ Power-Tech is entitled to a 50% tax abatement, which results in an effective corporate tax rate of approximately 12.5%. After taxes of $6,232,601 realized in the year ended December 31 2009, our net income was $ 21,359,637, representing 32.7% increase over 2008.

Year Ended December 31, 2008 Compared to Year Ended December 31, 2007

Our business continued to grow in 2008, as both revenue and net income increased by over 42%. Recognizing that the worldwide recession would make it difficult for us to match that growth rate in 2009, we began supplementing our growth-through-new-customers by making strategic alliances that will capture new markets for us. Specifically, at the end of 2008 we purchased a 49% interest in Beyond E-Tech, a cell phone distributor, which will provide us a dedicated customer for our cell phone batteries. And in the first half of 2009 we acquired Wuxi Angell, a leading manufacturer of battery-powered motorbikes and scooters. These alliances will help us to offset the effects of the recession.

Revenues: In 2008 we realized $45,172,111 in revenues, an increase of 42% compared to the $31,897,618 in revenue that we achieved in 2007. As a result of competition, our prices have remained relatively stable. Our growth has been almost entirely the result of increased unit sales. A number of factors contributed to the increase in revenue from 2007 to 2008. Primary among them were:

- New Customers. Our revenue in 2008 included $10,331,311 sold to customers that had not purchased from us in prior years. This expansion of our customer base is primarily a result of the efforts of our growing network of independent sales agents.

- Vehicle Batteries. Our sales of batteries for use in motorized vehicles increased by 70% from 2007 to 2008. We expect growth in this area to continue, primarily due to our acquisition of Wuxi Angell.

- Miner's Lamps. Our one end product, our miner's lamp, has fueled a significant portion of our growth. In 2008 our sales of miner's lamps and batteries for miner's lamps totaled $10,777,298, compared to $5,534,798 in 2007.

The growth in our battery business has been accompanied by a reorientation in the relative importance of different battery sizes. When we first entered the battery business in 2003 and following years, the bulk of our sales were small capacity batteries, primarily those used in consumer electronic devices. Our growth, however, has been propelled by customers for our medium capacity batteries (used for electric scooters, electric bicycles, power tools, miners' lamps, searchlights, etc.) and large capacity batteries (used for electric sanitation vehicles, stationary applications, and other large scale battery applications). In 2008, the contribution of batteries in these categories to our total revenues was:

·	Small Capacity Batteries.	$4,727,223	(10.5%)
·	Medium Capacity Batteries	$16,200,079	(35.9%)
·	Large Capacity Batteries:	$13,467,511	(29.8%)
·	Other	$10,777,298	(23.8%)

Gross Profit. Our cost of revenues consists of the cost of raw materials, production costs and production overhead. In 2008, although our revenue increased by 42%, our cost of goods sold increased by only 28%, from $18,039,861 to $23,122,610. This disparity permitted resulted from the efforts of our production staff to achieve a more efficient use of raw materials, and from our ongoing program of improving the efficiency of our production techniques. The result was an improvement in our gross margin from 43% in 2007 to 49% in 2008.

The current global recession has caused a widespread and dramatic drop in the cost of raw materials, including the metals that we utilize in our batteries. We expect this situation will permit us to maintain the level of gross margin that we achieved in 2008. If the recession results in diminished sales, however, our gross margin is likely to suffer, as a reduction in sales would be likely to reduce the efficiency of our production operations.

Operating Expenses: The Company's operating expenses fell by 11%, from $3,667,101 in 2007 to $3,267,872 in 2008. The decrease is primarily due to a one-time compensation charge of $893,896, arising from a bonus granted to management during the quarter ended March 31, 2007. In addition, we quelled our aggressive research and development programs in 2008, while we focused on expanding our production facility, and this reduced our expenditures for research and development by $379,408. After eliminating these two factors, we realized an increase of $502,332 (21%) from 2007 to 2008. The increase reflected expenses relating to the expansion of our manufacturing facility as well as expenses incurred by our U.S. offices, including the expense attributable to the Company's listing on the NASDAQ Capital Market in March 2008. We expect that future increases in our selling, general and administrative expense will be roughly proportional to the increase in our revenues. This will occur because the efficiencies that we are realizing from our expanded operations will be partially offset by the expenses of the US office.

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Included in our general and administrative expense during 2008 was $908,713 attributable to amortization of the market value of stock that we granted to employees or consultants, primarily during 2004. This non-cash expense resulted from our use of stock during our early years to incentivize key individuals. The market value of the stock at the time it was issued is being amortized over the term of the employee's or consultant's services, thus:

- In the case of employees, the period of amortization is based on a vesting schedule included in the employees' contracts. The average vesting period for the employees is 18.5 years. To date, no one of the employees of ZQ Power-Tech who received stock awards has terminated employment; so the amortization has been proportional to that schedule.

- In the case of consultants, the period of amortization is based on the term of the consulting contracts, although amortization will be accelerated if the consulting relationship ceases. Again, to date, the consultants who received stock have remained involved in the Company's affairs, so there has been no acceleration of amortization.

At December 31, 2008 there remained $5,737,795 in unamortized stock compensation on the Company's books. The amortization of this sum will contribute to our operating expenses as described above.

At the end of 2008 we purchased, for $1.5 million, 49% of the equity in Beyond E-Tech, Inc., a Texas corporation recently organized to engage in distributing cellular telephones in the United States. The acquisition has been recorded an "investment in unconsolidated entity" on our balance sheet, and our participation in that business will be accounted for through the equity method. Because Beyond E-Tech incurred a net loss of approximately $185,000 in 2008, the value of our investment was reduced on our balance sheet by 49% of that sum – i.e. $90,707 – and we incurred "other expenses" in that amount. In addition, at year-end we performed a valuation of our investment by estimating future undiscounted net cash flows that can be expected from Beyond E-Tech. That estimate indicated that our carrying cost for the investment exceeded its value by $371,743. Accordingly, we also reduced the book value of the investment by that amount, and recorded an addition to operating expenses in that amount. In the future, our gain or loss on the investment will be determined by similar allocations of the income or loss incurred by Beyond E-Tech.

The Company's revenue less expenses produced a pre-tax income of $18,818,527 for 2008 and a pre-tax income of $10,205,406 in 2007. As a result of Chinese tax laws that reward foreign investment in China, ZQ Power-Tech was entitled to exemption from income taxes during 2006 and 2007. So for 2007, the Company's pre-tax income was identical to its net income, representing $.25 basic earnings per share and $.21 per share fully diluted. Currently and through 2010, ZQ Power-Tech is entitled to a 50% tax abatement, which results in an effective corporate tax rate of approximately 12.5%. After taxes of $2,722,407 realized in 2008, our net income for 2008 was $16,096,120, an increase of 58% over 2007. This 2008 income represented $.37 basic earnings per share and $.31 fully diluted.

Our business operates primarily in Chinese Renminbi, but we report our results in our SEC filings in U.S. Dollars. The conversion of our accounts from RMB to Dollars results in translation adjustments. While our net income is added to the retained earnings on our balance sheet; the translation adjustments are added to a line item on our balance sheet labeled “accumulated other comprehensive income,” since it is more reflective of changes in the relative values of U.S. and Chinese currencies than of the success of our business. During 2008, the effect of converting our financial results to Dollars was to add $2,912,481 to our accumulated other comprehensive income.

Liquidity and Capital Resources

The growth of our Company has been funded by capital contributions - initially those of our founders and in recent years capital raised by the sale of equity to private investors. As a result, the Company’s only debt at December 31, 2009 was a total of $2,916,071 in loans owed by Wuxi ZQ to Huaxia Bank. These loans bear interest at 6.57% per annum. We are currently negotiating with the bank to retire this loan in the first quarter of 2010.

In June 2009 the Company completed two placements of convertible preferred stock and warrants. The purchasers were institutional funds. The net proceeds from the placements and the exercise of warrants during 2009 was $22,771,367. Pursuant to provisions of ASC 815 (previously: EITF 07-05) that became effective for 2009 and subsequent years, the present value of the outstanding warrants is considered a liability.

In October 2009 the Company sold 4,592,145 shares of common stock and 1,377,644 warrants to purchase common stock at $4.70 per share. The purchasers were institutional funds. The net proceeds of the placement was $18,017,350.

At December 31, 2009 the Company had a working capital balance of $83,453,937, an improvement from our working capital balance of $49,991,602 at December 31, 2008. We had $52,923,358 cash, an increase of $20,177,203 from our cash balance of $32,746,155 at December 31, 2008. The primary reason for the improvement in working capital and cash was the equity offerings we completed in June and October 2009, partially offset by further investment in our facilities and higher working capital demands. With the sufficient cash available, we believe we are able to fund the current debt obligations when due.

ZQ Power-Tech and Wuxi ZQ have sufficient liquidity to fund their near-term operations and to fund the working capital demands of future expansion. If we determine that additional funds are needed for other attractive growth opportunities or for the full implementation of our long term expansion plans for Wuxi ZQ, we have available over $18 million in property, plant and equipment that ZQ Power-Tech owns free of liens, for potential collateral loans. On February 28, 2010 our backlog of firm orders was approximately $49.7 million. Based on that backlog of orders, we believe that secured financing will be available on favorable terms if needed.

Given the financial resources available to the Company, management believes that it has sufficient capital and liquidity to sustain operations for the foreseeable future.

Application of Critical Accounting Policies

In preparing our financial statements we are required to formulate working policies regarding valuation of our assets and liabilities and to develop estimates of those values. In our preparation of the financial statements for 2009, there were five estimates made which were (a) subject to a high degree of uncertainty and (b) material to our results. They were:

- The first was our determination, detailed in Note 21 to the Financial Statements, that we had no need of a reserve for warranty costs. The primary reason for the determination was the fact that we have received no warranty claims to date.
- The second was our determination, detailed in Note 15 to the Financial Statements, to amortize the stock compensation that we gave to our employees in 2005 and 2006 over an average of 18.5 years. The determination was based on the senior status of the employees, the vesting period under their employment contracts, and our expectation that they will remain employed by ZQ Power-Tech for at least that period.
- The third was our determination, detailed in Note 9 to the Financial Statements, to record a $235,091 impairment loss on our investment in Beyond E-Tech. The determination was based on Beyond E-Tech's projection of cash flows for the next five years.
- The fourth was our determination, detailed in Note 5 to the Financial Statements, to reserve the full amount of Wuxi ZQ's outstanding loans receivable, $480,705. The determination was based on our inability to obtain assurances that the loans were collectable.
- The fifth was our determination, detailed in Note 12, to the Financial Statements, to record no impairment of Wuxi ZQ's intangible assets. The determination was based on our evaluation of the future cash flows from Wuxi ZQ's business, which exceeded the carrying cost of the intangible assets.

We made no material changes to our critical accounting policies in connection with the preparation of financial statements for 2009.

Impact of Accounting Pronouncements

There were no recent accounting pronouncements that have had a material effect on the Company's financial position or results of operations.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition or results of operations.

ITEM 6A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Our operating subsidiary, ZQ Power-Tech, carries on business exclusively in Chinese Renminbi. Therefore it does not have any derivative instruments or other financial instruments that are market risk sensitive.

ITEM 7. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors and
Stockholders of Advanced Battery Technologies, Inc

We have audited the accompanying balance sheets of Advanced Battery Technologies, Inc as of December 31, 2009, and the related statements of income, stockholders' equity and comprehensive income, and cash flows for the year ended December 31, 2009. We also have audited Advanced Battery Technologies, Inc's internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Advanced Battery Technologies, Inc's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advanced Battery Technologies, Inc as of December 31, 2009, and the results of its operations and its cash flows for the year ended December 31, 2009 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, Advanced Battery Technologies, Inc maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

/s/ Friedman LLP
Friedman LLP
Marlton ,NJ 08053
March 29, 2010

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Advanced Battery Technologies, Inc.

We have audited the accompanying consolidated balance sheets of Advanced Battery Technologies, Inc.(the "Company") as of December 31, 2008 and 2007, and the related consolidated statements of income and other comprehensive income, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 2008. We have also audited the Company's internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organization of the Treadway Commission. (COSO).The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audit of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because its inherent limitations, internal control over financial reporting, may not prevent or detect misstatements. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Advanced Battery Technologies, Inc. as of December 31, 2008, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2008, in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

/s/ BAGELL, JOSEPHS, LEVINE & COMPANY, L.L.C.
Bagell, Josephs, Levine & Company, L.L.C.
Marlton, NJ 08053
March 12, 2009

The report is a copy of the previously issued report.
The predecessor auditor has not reissued the report.

ADVANCED BATTERY TECHNOLOGIES, INC.
CONSOLIDATED BALANCE SHEETS

ASSETS

		December 31, 2009		December 31, 2008
Current assets:				
Cash and cash equivalents	$	52,923,358	$	32,746,155
Accounts receivable, net		22,406,927		14,708,078
Inventories, net		3,680,098		1,748,115
Loan receivable,net		1,600,000		1,600,000
Other receivables		107,751		240,726
Advance to suppliers,net		7,940,129		246,163
Total Current Assets		88,658,263		51,289,237
Property, plant and equipment, net of accumulated depreciation of $10,477,610 as of December 31, 2009 and $2,803,788 as of December 31, 2008		47,248,600		16,635,843
Total Fixed Assets		47,248,600		16,635,843
Other assets:				
Investment in unconsolidated entity		785,057		1,037,550
Investment advance		1,457,034		3,000,000
Deposit for long-term assets		2,860,882		1,748,363
Intangible assets, net		14,317,502		1,548,158
Goodwill		2,472,311		2,487,080
Other assets		26,705		6,000
Total other assets		21,919,491		9,827,151
Total Assets	$	157,826,354	$	77,752,231

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:				
Short-term loan	$	2,916,071		-
Accounts payable		670,254		415,850
Advance from Customers		228,871		80,479
Accrued expenses and other payables		1,389,130		784,070
Loan from officers		-		17,236
Total Current Liabilities		5,204,326		1,297,635
Long term liabilities:				
Deferred tax liability		3,468,262		-
Warrant liability		17,221,335		
Total Liabilities		25,893,923		1,297,635
Stockholders' Equity				
	$	-		-

Preferred stock, $0.001 face value, 5,000,000 shares authorized; 2 shares issued and 2 shares outstanding as of December 31, 2009 and 0 shares issued and outstanding as of December 31, 2008				
Common stock, $0.001 par value, 150,000,000 shares authorized; 68,778,112 shares issued and 68,583,531 shares outstanding as of December 31, 2009 and 54,781,577 shares issued and 54,662,067 shares outstanding as of December 31, 2008		68,778		54,782
Additional paid-in-capital		74,114,122		39,289,991
Accumulated other comprehensive income		5,496,334		6,012,475
Retained earnings		52,752,687		31,393,050
Less: Cost of treasury stock (194,581 and 119,510 shares as of December 31,2009 and December 31, 2008)		(499,490)		(295,702)
Total Stockholders' Equity		131,932,431		76,454,596
Total Liabilities and Stockholders' Equity	$	157,826,354	$	77,752,231

The accompanying notes are an integral part of these consolidated financial statements

ADVANCED BATTERY TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME

	For Years ended December 31,		
	2009	2008	2007 (Restated)
Revenues	$63,561,925	$45,172,111	$31,897,618
Cost of Goods Sold	35,169,478	23,122,610	18,039,861
Gross Profit	28,392,447	22,049,501	13,857,757
Operating Expenses			
Research & Development expenses	348,297	4,463	383,871
Selling, general and administrative	11,154,217	3,263,409	3,283,230
Operating income	16,889,933	18,781,629	10,190,656
Other Income (Expenses)			
Interest income	290,774	124,487	14,750
Interest (expense)	(501,096)	-	-
Equity loss from unconsolidated entity	(17,401)	(90,707)	-
Gain on bargain purchase	9,909,320	-	-
Forgiveness of debt	336,906	-	-
Other income (expenses)	16,962	3,118	-
Change in fair value of warrants	666,839	-	-
Total other income (expenses)	10,702,305	36,898	14,750
Income Before Income Taxes	27,592,238	18,818,527	10,205,406
Provision for Income Taxes (Benefit)			
Income tax-Current	2,764,339	2,722,407	-
Income tax-Deferred	3,468,262	-	-
Net income	$21,359,637	$16,096,120	$10,205,406
Other Comprehensive Income			
Foreign currency translation adjustment	(516,141)	2,912,481	2,125,410
Comprehensive Income	$20,843,496	$19,008,602	$12,330,816
Earnings per share			
Basic	$0.41	$0.37	$0.25
Diluted	$0.35	$0.31	$0.21
Weighted average number of common shares outstanding			
Basic	52,124,814	43,493,492	40,924,452
Diluted	60,222,687	51,671,992	49,677,285

The accompanying notes are an integral part of these consolidated financial statements

ADVANCED BATTERY TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2009, 2008, and 2007

	Preferred Stock		Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive Income	Treasury Stock at Cost	Retained Earnings (Deficit)	Total
	Shares	Par Value	Shares	Par Value					
Balance December 31, 2006 (Restated)			49,627,710	49,628	17,090,614	974,584	-	5,091,524	23,206,350
Stock issued under employee equity incentive plan			61,288	61	(61)				-
Comprehensive income (loss)									
Net income for the year								10,205,406	10,205,406
Other comprehensive income, net of tax									
Foreign currency translation adjustments						2,125,410			2,125,410
Comprehensive income (loss)									
Amortization of prepaid consulting expenses					378,215				378,215
Amortization of stock-based compensation					561,123				561,123
Balance December 31, 2007 (Restated)			49,688,998	$49,689	$18,029,891	$3,099,994	$-	$15,296,930	$36,476,504
Issuance of common stock for financing			5,058,834	5,059	20,351,421				20,356,480
Stock issued under employee equity incentive plan			33,745	34	(34)				-

Comprehensive income (loss)									
Net income for the year								16,096,120	16,096,120
Other comprehensive income, net of tax									
Foreign currency translation adjustments						2,912,481			2,912,481
Comprehensive income (loss)									
Purchase of treasury stock (119,510 shares)							(295,702)		(295,702)
Amortization of prepaid consulting expenses					309,237				309,237
Amortization of stock-based compensation					599,476				599,476
Balance December 31, 2008			54,781,577	$54,782	$39,289,991	$6,012,475	$(295,702)	$31,393,050	$76,454,596
Issuance of preferred stock for financing	17,000	17			6,577,419				6,577,436
Conversion of preferred stock to common stock	(16,998)	(17)	4,387,993	4,388	(4,371)				-
Issuance of common stock for acquisition			3,000,000	3,000	9,867,000				9,870,000
Issuance of common stock for financing			4,592,145	4,592	13,770,726				13,775,318
Exercise of warrants			1,722,622	1,723	5,976,057				5,977,780
Stock issued for service			293,775	294	(294)				-
Comprehensive income (loss)									
Net income for the year								21,359,637	21,359,637

Other comprehensive income, net of tax		
Foreign currency translation adjustments	(516,141)	(516,141)
Comprehensive income (loss)		