

SMARTHEAT INC.
Form 10-Q/A
June 23, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A

AMENDMENT NO. 2

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2009

OR

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

Commission file number 000-53052

SMARTHEAT INC.
(Exact name of registrant as specified in its charter)

NEVADA
(State or other jurisdiction of
incorporation or organization)

98-0514768
(IRS Employer
Identification No.)

A-1, 10, Street 7
Shenyang Economic and Technological Development Zone
Shenyang, China
110027
(Address of principal executive offices, including zip code.)

+86 (24) 2519-7699
(telephone number, including area code)

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

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 last 90 days.

YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
YES NO

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 24,179,900 shares as of May 10, 2009.

EXPLANATORY NOTE

This Amendment No. 2 to the SmartHeat Inc. (the “Company”) 10-Q originally filed on May 11, 2009 is being filed solely to updated the original 10-Q to be consistent with comments made by the staff of the Securities and Exchange Commission on the Company’s Form S-1 which became effective on June 23,2009. The Company updated Item 7 (Management’s Discussion and Analysis of Financial Condition and Results of Operations) to clarify the impact that payment schedules and delays may have on its cash flows and liquidity, added two risk factors in Risk Factors (Item 1-A) and revised Notes to Consolidated Financial Statements to explain the recognition of non-material after sales service charges. All other items and exhibits contained in the Form 10-Q as filed on May 11, 2009 and as amended on May 22, 2009 remain unchanged.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

SMARTHEAT, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

AS OF MARCH 31, 2009 AS OF DECEMBER 31, 2008

ASSETS			
CURRENT ASSETS			
Cash & cash equivalents	\$	737,652	\$ 1,435,212
Restricted cash		437,564	462,048
Accounts receivable, net		10,144,431	11,390,169
Retentions receivable		388,158	290,852
Advances to suppliers		1,259,750	412,524
Other receivables, prepayments and deposits		661,710	698,834
Inventories		8,150,511	6,107,583
Note and acceptances receivable		53,493	14,631
Total current assets		21,833,269	20,811,853
NON-CURRENT ASSETS			
Restricted cash		196,467	219,472
Accounts receivable, net		57,052	310,810
Retentions receivable		645,159	166,912
Intangible assets, net		1,113,375	1,155,131
Property and equipment, net		2,391,418	2,436,553
Total noncurrent assets		4,403,471	4,288,878
TOTAL ASSETS	\$	26,236,740	\$ 25,100,731
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable	\$	2,450,794	\$ 1,210,906
Unearned revenue		1,088,984	850,408
Taxes payable		163,020	1,327,775
Accrued liabilities and other payables		1,136,028	1,330,812
Due to minority shareholder		-	5,303
Loans payable		2,442,985	2,443,450
Total current liabilities		7,281,811	7,168,654
DEFERRED TAX LIABILITY		38,725	38,854

COMMITMENTS AND CONTINGENCIES

STOCKHOLDERS' EQUITY

Common stock, \$0.001 par value; 75,000,000 shares authorized,
24,179,900 shares issued and outstanding at March 31, 2009 and
December 31, 2008, respectively

	24,180	24,180
Paid in capital	8,223,453	8,223,453
Statutory reserve	1,267,058	1,150,542
Accumulated other comprehensive income	986,339	984,629
Retained earnings	8,415,174	7,510,419
Total stockholders' equity	18,916,204	17,893,223
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 26,236,740	\$ 25,100,731