

## China's Kandi Rises on Electric Car Outlook as BYD Gains

By Belinda Cao - Aug 26, 2014

[Kandi Technologies Group Inc. \(KNDI\)](#) climbed in U.S. trading while [BYD Co. \(BYDDF\)](#) advanced on optimism China's support to build more battery charging facilities will spur demand for electric vehicles.

Kandi, a maker of alternative-energy cars, rose 4.5 percent in New York yesterday, the most in a week. Shenzhen-based BYD, which is partly owned by [Warren Buffett's Berkshire Hathaway Inc. \(BRK/A\)](#), rallied the most in a month in over-the-counter trading. Social media operator [Renren Inc. \(RENN\)](#) climbed to the highest in seven weeks. The Bloomberg China-US Equity Index added 0.2 percent to 117.54.

China is considering providing as much as 100 billion yuan (\$16 billion) in funding to build more electric-car charging facilities, according to two people familiar with the matter who asked not to be identified because the discussions are private. The support for the electric-car industry forms part of Premier [Li Keqiang's](#) push to rein in pollution in China, the world's biggest carbon emitter, while moving forward at the same time with goals of urbanizing the country.

"The government seems to be taking an early stand on setting the direction for vehicles in China with policies that encourage the addition of an electric infrastructure," [David Smith](#), a portfolio manager at Greentech Capital Advisors in New York, said by e-mail. "China is seeing massive urbanization push and also a problem around air quality that is a catalyst to move forward on lower emission vehicles alongside lower emitting renewable generation sources for electricity."

### Trading Volume

Kandi, based in Jinhua of China's eastern Zhejiang province, rose to \$19.09, extending its gain this year to 62 percent. BYD climbed 3.7 percent to \$6.70.

Kandi said in an Aug. 11 statement that electric vehicle revenue for three months ended in June jumped sixfold from a year earlier to \$13.25 million as total sales gained 171 percent.

Renren's American depositary receipts advanced 3.1 percent to \$3.37, the biggest rally since May.

Trading volume on Renren's ADRs was six times the 90-day average.

Beijing-based Renren said its board approved a new share repurchase plan for as much as \$100 million of Renren ADRs until June next year. The company reported on Aug. 25 net income of \$31.3 million in the second quarter from a loss of \$9.3 million a year earlier.

[Trina Solar Ltd. \(TSL\)](#), China's largest profitable panel manufacturer, sank 8 percent to \$12.30 in New York, the biggest slump in four months.

Changzhou, China-based Trina said yesterday second-quarter sales gained 16.8 percent from a year earlier to \$519.4 million, missing the \$562.6 million mean estimate of seven analysts surveyed by Bloomberg.

## ETF Advances

The [iShares China Large-Cap ETF](#), the largest Chinese exchange-traded fund in the U.S., added 0.2 percent to a one-week high of \$41.31. The Standard & Poor's 500 Index climbed 0.1 percent to close above 2,000 after a report showed the biggest ever jump in durable-goods orders and an unexpected increase in consumer confidence.

The Hang Seng China Enterprises [Index \(HSCEI\)](#) gained 0.1 percent to 11,124.33, advancing for a third straight day. The [Shanghai Composite Index \(SHCOMP\)](#) sank fell 1 percent to 2,207.11.

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