

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

FORM 10-K

MARK ONE:

- Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.  
For the Fiscal year ended December 31, 2008
- Transition Report Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission file number 0-20726

**Kent International Holdings, Inc.**

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

20-4888864

(I.R.S. Employer Identification No.)

211 Pennbrook Road, P.O. Box 97, Far Hills, New Jersey  
(Address of principal executive offices)

07931  
(Zip Code)

Registrant's telephone number (908) 766-7222

Securities registered under Section 12(b) of the Exchange Act:  
None

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, par value \$.002 per share  
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K 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  Non-accelerated filer  Smaller reporting company

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

As of February 28, 2009, there were 3,555,488 shares of common stock outstanding. The aggregate market value of the common stock held by non-affiliates of the registrant, based upon the closing sale price on The Pink Sheets on February 27, 2009, was \$2.6 million.

## **PART I**

### **Item 1. - BUSINESS**

#### **General**

Except for the historical information contained herein, the matters discussed in this Annual Report on Form 10-K are forward-looking statements that involve risks and uncertainties. For a discussion of certain factors which may affect the outcome projected in such statements, see Item 7 ("Management's Discussion and Analysis of Financial Condition and Results of Operations") of this Annual Report, as well as factors noted in the balance of this Item 1 ("Description of Business"). Actual results may differ materially from those projected. These forward-looking statements represent the Company's judgment as of the date of the filing of this Annual Report. The Company disclaims, however, any intent or obligation to update these forward-looking statements.

#### **Background**

Kent International Holdings, Inc. ("Kent International" or "Company"), previously known as Cortech, Inc. ("Cortech"), was a biopharmaceutical company whose primary focus had been the discovery and development of novel therapeutics for the treatment of inflammatory disorders. Cortech was incorporated in 1982 in Colorado and reincorporated in Delaware in 1991. Specifically, Cortech had directed its research and development efforts principally toward protease inhibitors and bradykinin antagonists. Although these efforts produced certain intellectual property rights, these rights are currently recorded at nil value as the Company is not currently marketing them.

In response to disappointing test results and its loss of collaborative partner support, Cortech implemented a series of workforce reductions which resulted in the Company having no compensated employees from 1999 until November 2005, and effectively discontinued all internal research and development activities. In addition, in 1998 Cortech decommissioned its laboratories and sold all of its remaining scientific, technical and office equipment. As a result of these actions, Cortech no longer had the staff or operative facilities required to conduct internal research and development activities.

On May 25, 2006, Cortech was reincorporated in Nevada by a merger with its wholly owned subsidiary, Kent International Holdings, Inc. The reincorporation effected a change in Cortech's legal domicile from Delaware to Nevada and a change in the name from Cortech, Inc. to Kent International Holdings, Inc.

#### **Business Development Activities**

Our current business plan is to serve as a vehicle for the acquisition of or merger or consolidation with another company (a "target business"). The Company may use its available working capital, capital stock, debt or a combination of these to start a business or to effect a business combination with a company seeking to establish a public trading market for its securities while avoiding the time delays, significant expense, loss of voting control and other burdens including significant professional fees of an initial public offering. A business combination may be with a financially stable, mature company or a company that is in its early stages of development or growth, which could include companies seeking to obtain capital and to improve their financial stability.

The Company will not restrict its search to any particular industry; rather, it may investigate businesses of essentially any kind or nature and participate in any type of business that may, in management's opinion, meet the business objectives as described in this report. The Company emphasizes that the description in this report of the business objective of seeking an operating business is extremely general and is not meant to restrict management discretion to seek and enter into potential business opportunities.

The Company has not identified the particular business in which it will seek to engage, nor has it conducted any market studies with respect to any business or industry to evaluate the possible merits or risks of the target business or industry in which the Company ultimately may operate. To the extent the Company enters into a business combination with a financially unstable company or an entity in its early stage of development or growth, including entities without established records of revenues or earnings, or starts its own new business, the Company will become subject to numerous risks inherent in the business and operations of financially unstable and early stage or developing companies. In addition, to the extent that the Company effects a business combination with an entity in an industry characterized by a high level of risk or starts its own new business in such an industry, the Company will become subject to the currently unascertainable risks of that industry. An extremely high level of risk frequently characterizes certain industries that experience rapid growth. In addition, although the Company will endeavor to evaluate the risks inherent in a particular industry or target business, the Company cannot assure you that it will properly ascertain or assess all significant risk factors.

#### *Sources of target businesses*

Kent International anticipates that target business candidates may be brought to the Company's attention from various unaffiliated sources, including securities broker-dealers, investment bankers, private equity groups, venture capitalists, bankers and other members of the financial community, who may present solicited or unsolicited proposals. The Company's officers and directors and their affiliates may also bring to the Company's attention target business candidates. The Company has entered into non-exclusive agreements with several finders and investment bankers and may engage such firms in the future for which the Company may pay a finder's fee or other compensation if a transaction is completed.

#### *Selection of a target business and structuring of a business combination*

The Company's management will have significant flexibility in identifying and selecting a prospective target business. In evaluating a prospective target business, management may consider, among other factors, the following:

- the financial condition and results of operation of the target;
- the growth potential of the target and that of the industry in which the target operates;
- the experience and skill of the target's management and availability of additional personnel;
- the capital requirements of the target;
- the competitive position of the target;
- the stage of development of the target's products, processes or services;
- the degree of current or potential market acceptance of the target's products, processes or services;
- proprietary features and the extent and quality of the intellectual property or other protection of the target's products, processes or services;
- the regulatory environment of the industry in which the target operates;
- the prospective equity interest in, and opportunity for control of, the target; and
- the costs associated with effecting a business combination.

These criteria are not intended to be exhaustive. Any evaluation relating to the merits of a particular business combination will be based, to the extent relevant, on the above factors as well as other considerations deemed relevant by the Company's management in connection with effecting a business combination consistent with the Company's business objective. In connection with the evaluation of a prospective target business, the Company anticipates that it will conduct an extensive due diligence review that will encompass, among other things, meetings

with incumbent management and inspection of facilities, as well as a review of financial or other information that will be made available to us.

### **Social Networking Website**

Kent International has developed a niche social networking website, [www.ChinaUSPals.com](http://www.ChinaUSPals.com), designed to promote cultural exchange between the citizens of the United States and those of the People's Republic of China. Membership to the site is free, thus, any potential revenues will be derived from advertisements placed on the site by third parties. The site provides users with access to other users' personal profiles and enables the user to send messages to other registered users of similar interests in order to develop lasting friendships or simply attain a pen pal. ChinaUSPals.com also features user generated discussion forums and blogs as well as user submitted videos and pictures. In July, we reached an agreement with Wizart Studios, LLC, a New York based web design firm, to redesign and market the site in return for a 19% equity interest in ChinaUSPals.com, Inc., the site's holding company. As a part of the agreement, Kent International will be responsible for the costs of marketing the site until revenue is generated. The redesigned site was launched on August 6, 2008. Since then, site membership has grown to over 3,100 members from the approximately 150 members prior to the redesign.

### **Item 1A. - RISK FACTORS**

*Our business development activities and website produce losses*

The Company has had net losses of \$190,937 and \$301,361 in 2008 and 2007, respectively. At December 31, 2008, the accumulated deficit was \$88,999,408. The Company does not expect that its business development activity or social networking website will generate any significant revenues for an indefinite period as these efforts are in their early stages. As a result, these activities will produce losses until such time as meaningful revenues are achieved.

*Our social networking website might not be viewable in China and will continue to produce losses for an indefinite period.*

We face the risk that our website will not be viewable in China or will be deliberately blocked by the government of the People's Republic of China. Internet usage and content are heavily regulated in China and compliance with these laws and regulations may cause us to change or limit our business practices in a manner adverse to our business.

*The expenses related to identifying a target business and to complete a business combination will increase the losses of the Company.*

Until presented with a specific opportunity for a business combination, the Company is unable to ascertain with any degree of certainty the time and costs required to select and evaluate a target business and to structure and complete the business combination. Any costs incurred in connection with the identification and evaluation of a prospective target business with which a business combination is not ultimately completed will result in a loss to the Company and reduce the amount of capital otherwise available to complete a business combination and thereafter operate the acquired business. Kent International cannot assure you that it will be successful in identifying a target business and completing a business combination on terms favorable to its stockholders, if at all.

*The tax treatment of a potential business combination is not clear.*

The Company will endeavor to structure a business combination so as to achieve the most favorable tax treatment to it and to the target business and the stockholders of both companies. Kent International cannot assure you, however, that the Internal Revenue Service or appropriate state tax authorities will agree with the Company's tax treatment of the business combination.

*We have limited ability to evaluate the target business' management; we cannot anticipate what role, if any, the Company's management will play in a combined business and whether our management has the necessary experience to manage the combined business; we do not know if we will be able to recruit more management if necessary.*

Although the Company intends to carefully scrutinize the management of a prospective target business before effecting a business combination, it cannot assure you that its assessment of the target's management will prove to be correct. In addition, the Company cannot assure you that the target's future management will have the necessary skills, qualifications or abilities to manage a public company. Furthermore, the future role of the Company's officers and directors, if any, in the target business cannot presently be stated with any certainty. While it is possible that one or more of the Company's officers and directors will remain associated in some capacity following a business combination, it is uncertain whether all of them will devote their full efforts to the Company's affairs after a business combination. Moreover, the Company cannot assure you that its officers and directors will have significant experience or knowledge relating to the operations of the particular target business.

The Company may seek to recruit additional management personnel to supplement the incumbent management of the target business. The Company cannot assure you, however, that it will be able to recruit additional managers who have the requisite skills, knowledge or experience necessary to enhance the incumbent management and successfully operate the target business.

*In our search for an appropriate combination partner, we will have to compete with other entities with more experience and greater resources; after a successful business combination we will have to face the competitors of the operating company we combine with.*

The Company may encounter intense competition from other entities seeking to combine with a privately held operating company. Many of these entities, including financial consulting companies and venture capital firms, have longer operating histories and have extensive experience in identifying and effecting business combinations. Many of these competitors also possess significantly greater financial, technical and other resources than does the Company. Kent International cannot assure you that it will be able to effectively compete with these entities. Consequently, Kent International may acquire a company with less favorable prospects than it would otherwise prefer, thus making its long-term prospects for success less likely.

If the Company effects a business combination, it will become subject to competition from the competitors of the acquired business. In particular, industries that experience rapid growth frequently attract larger numbers of competitors, including competitors with greater financial, marketing, technical and other resources than the Company. The Company cannot ascertain the level of competition it will face if it effects a business combination, and it cannot assure you that it will be able to compete successfully with these competitors.

*The Pink Sheets are characterized by high volatility which may negatively affect our stock price.*

Our common stock is quoted on the Pink Sheets under the symbol "KNTH". The Pink Sheets and the price of our common stock are characterized by high volatility. The Company cannot guarantee any market for its shares of common stock, and cannot guarantee that any stable market for its shares of common stock will develop or be

sustained. The Company cannot predict the effect, if any, that our business activities or a business combination might have on the market price.

### **Employees**

The company does not have any compensated employees.

### **ITEM 2. - PROPERTIES**

The Company's executive offices are located in Far Hills, New Jersey in premises provided by Kent Financial Services Inc. The Company pays Kent Financial Services a monthly management fee of \$21,000 for management services. No separate payment is made for use of the premises.

### **ITEM 3. - LEGAL PROCEEDINGS**

None

### **ITEM 4. - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

None

## **PART II**

### **ITEM 5. - MARKET FOR COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

#### **Shareholders of Record**

At February 29, 2009, the Company had approximately 394 stockholders of record.

#### **Market Information**

Since June 8, 2006, the Company's common stock has been quoted on The Pink Sheets, under the symbol "KNTH". The table below sets forth the high and low sales price per share of the Common Stock for the periods indicated, as reported in The Pink Sheets

Calendar Quarter Ended:		<u>High</u>	<u>Low</u>
<u>2007</u>	March 31	\$2.83	\$2.61
	June 30	2.90	2.80
	September 30	3.10	2.57
	December 31	2.66	2.51
<u>2008</u>	March 31	\$2.65	\$2.13
	June 30	2.30	2.18
	September 30	2.25	1.43
	December 31	1.65	1.35

## Dividends

The Company has not paid any cash dividends on its common stock since its inception and does not anticipate paying any cash dividends in the foreseeable future.

## Purchase of Equity Securities

### Issuer Purchases of Equity Securities (1)

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
October 1, 2008 - October 31, 2008	500	\$ 1.64	500	131,268
November 1, 2008 - November 30, 2008	9,700	\$ 1.65	9,700	121,568
December 1, 2008 - December 31, 2008	500	\$ 1.58	500	121,068
Total	10,700	\$ 1.65	10,700	121,068

(1) In October 2000, the Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to 320,000 shares of its common stock. This program has no expiration date.

## Equity Compensation Plan Information

The following table sets forth information about the shares of the Company's common stock that may be issued upon the exercise of options granted to employees under the Company's 1986 Stock Option Plan:

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans Excluding Securities Reflected in Column (a)
1986 Stock Option Plan	200,000	\$ 3.35	100,000

The Company's 1986 Stock Option Plan ("1986 Plan") authorizes the grant of stock options to officers and employees of the Company to purchase an aggregate of 300,000 shares of common stock. The stock options granted under the plan may be incentive stock options ("ISO") or nonstatutory stock options ("NSO"). The Board of

Directors may set the rate at which the options expire, subject to limitations discussed below. However, no options shall be exercisable after the tenth anniversary of the date of grant or, in the case of ISOs, three months following termination of employment, except in cases of death or disability, for which the time or exercisability is extended. In the event of dissolution, liquidation or other corporate reorganization, all stock options outstanding under the 1986 Plan would become exercisable in full.

ISOs may not be granted at an exercise price of less than the fair market value of the common stock at the date of grant. If an ISO is granted to an employee who owns more than 10% of the Company's total voting stock, such exercise price shall be at least 110% of fair market value of the common stock, and the ISO shall not be exercisable until after five years from the date of grant. The exercise price of each NSO may not be less than 85% of the fair market value of the common stock at the date of grant.

The plan also provides for stock appreciation rights, which may be granted with respect to any stock option. No stock appreciation rights have been granted through December 31, 2008.

On May 8, 2008, the Board awarded a non-qualified stock option to Bryan P. Healey to purchase 100,000 shares of Kent International's common stock under the Company's 1986 Stock Option Plan. The option has an exercise price of \$3.20 and shall become exercisable at a rate of 20,000 shares on each of the first five anniversaries of the date of grant, provided that Mr. Healey remain in the continuous employ of the company. The option shall expire on May 8, 2018, unless earlier terminated.

**ITEM 6. - SELECTED FINANCIAL DATA**

Not Applicable.

**ITEM 7. - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion and analysis should be read in conjunction with the Company's Financial Statements and Notes thereto included elsewhere in this Form 10-K. Statements in this report relating to future plans, projections, events or conditions are forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected and include, but are not limited to, the risks discussed below, the risks discussed in the section of this Form 10-K entitled "Description of Business" and risks discussed elsewhere in this Form 10-K. The Company expressly disclaims any obligation or undertaking to update these statements in the future.

**Organization**

The Company, previously known as Cortech, Inc., was a biopharmaceutical company whose primary focus had been the discovery and development of novel therapeutics for the treatment of inflammatory disorders. Specifically, Cortech had directed its research and development efforts principally toward protease inhibitors and bradykinin antagonists. Although these efforts produced certain intellectual property rights, these rights are currently recorded at nil value as the Company is not currently marketing them.

In response to disappointing test results and its loss of collaborative partner support, Cortech implemented a series of workforce reductions which resulted in the Company having no compensated employees from 1999 until November 2005, and effectively discontinued all internal research and development activities. In addition, in 1998 Cortech decommissioned its laboratories and sold all of its remaining scientific, technical and office equipment. As a result of these actions, Cortech no longer had the staff or operative facilities required to conduct internal research and development activities.

On May 25, 2006, Cortech was reincorporated in Nevada by a merger with its wholly owned subsidiary, Kent International Holdings, Inc. The reincorporation effected a change in Cortech's legal domicile from Delaware to Nevada and a change in the name from Cortech, Inc. to Kent International Holdings, Inc.

## **Business Activities**

Our current business plan is to serve as a vehicle for the acquisition of or merger or consolidation with another company (a "target business"). We intend to use our available working capital, capital stock, debt or a combination of these to effect a business combination with a target business which we believe has significant growth potential. The business combination may be with a financially stable, mature company or a company that is in its early stages of development or growth, which could include companies seeking to obtain capital and to improve their financial stability. We will not restrict our search to any particular industry. Rather, we may investigate businesses of essentially any kind or nature and participate in any type of business that may, in our management's opinion, meet our business objectives as described in this report. We emphasize that the description in this report of our business objectives is extremely general and is not meant to restrict the discretion of our management to search for and enter into potential business opportunities. We have not chosen the particular business in which we will engage and have not conducted any market studies with respect to any business or industry for you to evaluate the possible merits or risks of the target business or the particular industry in which we may ultimately operate. To the extent we enter into a business combination with a financially unstable company or an entity in its early stage of development or growth, including entities without established records of sales or earnings, we will become subject to numerous risks inherent in the business and operations of financially unstable and early stage or potential emerging growth companies. In addition, to the extent that we effect a business combination with an entity in an industry characterized by a high level of risk, we will become subject to the currently unascertainable risks of that industry. An extremely high level of risk frequently characterizes certain industries that experience rapid growth. In addition, although we will endeavor to evaluate the risks inherent in a particular industry or target business, we cannot assure you that we will properly ascertain or assess all significant risk factors.

Additionally, Kent International has developed a niche social networking website, [www.ChinaUSPals.com](http://www.ChinaUSPals.com), designed to promote cultural exchange between the citizens of the United States and those of the People's Republic of China. Membership to the site is free, thus, any potential revenues will be derived from advertisements placed on the site by third parties. The site provides users with access to other users' personal profiles and enables the user to send messages to other registered users of similar interests in order to develop lasting friendships or simply attain a pen pal. ChinaUSPals.com also features user generated discussion forums and blogs as well as user submitted videos and pictures. In July, we reached an agreement with Wizart Studios, LLC, a New York based web design firm, to redesign and market the site in return for a 19% equity interest in ChinaUSPals.com, Inc., the site's holding company. As a part of the agreement, Kent International will be responsible for the costs of marketing the site until revenue is generated. The redesigned site was launched on August 6, 2008. Since then, site membership has grown to over 3,100 members from the approximately 150 members prior to the redesign.

While we are encouraged by the membership and traffic growth since the redesign, we cannot be certain that the growth rate will continue or that existing members will continue using the site. We also face the risk that our website will not be viewable in China or will be deliberately blocked by the government of the People's Republic of China. Internet usage and content are heavily regulated in China and compliance with these laws and regulations may cause us to change or limit our business practices in a manner adverse to our business.

The Company does not expect that these activities will generate any significant revenues for an indefinite period as these efforts are in their early stages. As a result, these programs may produce significant losses until such time as meaningful revenues are achieved.

## **Results of Operations**

Kent International had a net loss of \$190,937, or \$0.05 basic and fully diluted loss per share, for the year ended December 31, 2008 compared to a net loss of \$301,361, or \$0.08 basic and fully diluted income per share, for the year ended December 31, 2007. The decrease in the net loss was a result of a decrease in personnel expenses offset by decreased interest revenue and increased consulting and due diligence expenses related to a proposed acquisition that was terminated prior to closing.

## **Revenues**

Revenues were \$265,579 and \$532,843 for the years ended December 31, 2008 and 2007, respectively. Interest income decreased to \$264,329 in 2008 from \$517,843 in 2007 due to dramatically lower yields on invested balances. The Company recorded \$1,250 and \$15,000 in other income for 2008 and 2007, respectively, in connection with a patent licensing agreement with the University of Colorado. These patents are recorded on the Company's books at a zero carrying value and the Company does not anticipate significant earnings in the future in connection with the agreement.

## **Expenses**

General and administrative expenses were \$456,006 in 2008 compared to \$795,306 in 2007. The decrease can be primarily attributed to a reduction of \$333,099 in personnel related expenses as a result of the resignation of our former President in August of 2007. Other significant reductions in expenses included directors' fees which decreased \$19,500, and rental expense which decreased \$16,200. These decreases were partially offset by \$58,227 in consulting and due diligence expenses related to a proposed acquisition that was terminated prior to closing.

The Company recorded a charge of \$37,764 in June 2007 to write off certain website development costs related to our social networking website, ChinaUSPals.com. These costs were associated with a beta version of the website that the Company is no longer utilizing.

## **Liquidity and Capital Resources**

At December 31, 2008, the Company had cash and cash equivalents of \$290,880. Cash and cash equivalents consist of cash held in banks and brokerage firms. The Company had short-term investments, consisting of U.S. treasury bills with original maturities of six months, of \$10.090 million at December 31, 2008. Working capital at December 31, 2008 was approximately \$10.356 million. Management believes its cash and cash equivalents are sufficient for its business activities for the at least the next 12 months and for the costs of seeking an acquisition of an operating business.

Net cash of \$159,939 was used in operations during 2008, a decrease of \$121,970 or 43% over the \$281,909 used in operations during 2007. This decrease resulted primarily from the decrease in expenses as previously described in the Expenses section of the Management's Discussion and Analysis.

Net cash of \$443,243 and \$290,072 was provided by investing activities in 2008 and 2007, respectively, primarily by the amount that the sales and maturities exceeded the purchases of short-term investments.

The Company used \$20,764 for financing activities for the year ended December 31, 2008 to repurchase 12,468 shares of common stock compared to \$5,343 used to repurchase 2,000 shares during 2007.

## **Factors Which May Affect Future Results**

Future earnings of the Company are dependent on interest rates earned on the Company's invested balances and expenses incurred. The Company expects to incur significant expenses in connection with its objective of redeploying its assets into an operating business.

## **Other Disclosures – Related Party Transactions**

A monthly management fee of \$21,000 is paid to Kent Financial Services, Inc. ("Kent"), a Nevada corporation, for management services. These services include, among other things, periodic and other filings with the Securities and Exchange Commission, evaluating merger and acquisition proposals, internal accounting and shareholder relations. This arrangement may be terminated at will by either party. Kent was the beneficial owner of approximately 53.44% of the Company's outstanding common stock at February 28, 2009. Paul O. Koether, Chairman of the Company is also the Chairman of Kent and the beneficial owner of approximately 59.11% of Kent's outstanding common stock. Bryan P. Healey, Chief Financial Officer of the Company is also the Chief Financial Officer of Kent and the son-in-law of Paul O. Koether.

## **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

## **Contractual Commitments**

The Company has no contractual commitments.

## **Other Matters**

As of December 31, 2008, Kent International had approximately \$63.4 million of net operating loss carryforwards ("NOL") for income tax purposes. In addition, Kent International has approximately \$1.85 million of research and development and foreign tax credit carryforwards available to offset future federal income tax, subject to limitations for alternative minimum tax. The NOLs and tax credit carryforwards expire in various years from 2009 through 2027. Kent International's use of operating loss carryforwards and tax credit carryforwards is subject to limitations imposed by the Internal Revenue Code. Management believes that the deferred tax assets as of December 31, 2008 do not satisfy the realization criteria set forth in SFAS No. 109 and has recorded a valuation allowance for the entire net tax asset. By recording a valuation allowance for the entire amount of future tax benefits, the Company has not recognized a deferred tax benefit for income taxes in its statements of operations.

**ITEM 8. - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

The financial statements filed with this item are listed below:

Report of Independent Registered Public Accounting Firm

Financial Statements:

Consolidated Balance Sheet as of December 31, 2008

Consolidated Statements of Operations for the Years ended December 31, 2008 and 2007

Consolidated Statements of Cash Flows for the Years ended December 31, 2008 and 2007

Consolidated Statements of Stockholders' Equity for the Years ended  
December 31, 2008 and 2007

Notes to Consolidated Financial Statements

## **Report of Independent Registered Public Accounting Firm**

To the Stockholders' and Board of Directors of Kent International Holdings, Inc.

We have audited the accompanying consolidated balance sheets of Kent International Holdings, Inc. as of December 31, 2008 and 2007 and the related consolidated statements of operations, stockholders' equity, and cash flows for the years ended December 31, 2008 and 2007. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Kent International Holdings, Inc. and subsidiaries as of December 31, 2008 and 2007, and the results of their operations and their cash flows for the years ended December 31, 2008 and 2007 in conformity with accounting principles generally accepted in the United States of America.

/s/ Paritz & Company, P.A.

March 11, 2009  
Hackensack, New Jersey

**KENT INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**  
As of December 31, 2008 and 2007

	December 31,	
ASSETS	2008	2007
Current Assets:		
Cash and cash equivalents	\$ 290,880	\$ 28,340
Short-term investments	10,090,292	10,549,906
Prepaid expenses and other current assets	4,769	8,012
Total current assets	10,385,941	10,586,258
Property and equipment, net of accumulated depreciation of \$7,391 and \$1,474		5,917
Other assets	5,500	5,500
Total assets	\$ 10,391,441	\$ 10,597,675
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 30,087	\$ 30,478
Stockholders' equity:		
Preferred stock, \$.002 par value; 2,000,000 shares authorized; none outstanding		
Common stock, \$.002 par value; 10,000,000 shares authorized; 3,555,488 and 3,567,956 shares issued and outstanding	7,111	7,136
Additional paid-in capital	99,353,651	99,368,532
Accumulated deficit	(88,999,408)	(88,808,471)
Total stockholders' equity	10,361,354	10,567,197
Total liabilities and stockholders' equity	\$ 10,391,441	\$ 10,597,675

See accompanying notes to consolidated financial statements.

**KENT INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	Year Ended December 31,	
	2008	2007
Revenues:		
Interest	\$ 264,329	\$ 517,843
Other income	1,250	15,000
	265,579	532,843
Expenses:		
General and administrative	456,006	795,306
Write off capitalized software costs		37,764
	456,006	833,070
Loss before income taxes	(190,427)	(300,227)
Provision for income taxes	510	1,134
	(190,937)	(301,361)
Net loss	\$ (190,937)	\$ (301,361)
Basic and diluted net loss per common share	\$ (0.05)	\$ (0.08)
Basic and diluted weighted average number of common Common shares outstanding	3,564,867	3,568,361

See accompanying notes to consolidated financial statements.

**KENT INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Year Ended December 31,	
	2008	2007
Cash flows from operating activities:		
Net loss	\$ (190,937)	\$ (301,361)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	5,917	4,108
Stock-based compensation expense	5,858	
Write off capitalized software costs		37,764
Changes in operating assets and liabilities:		
Interest receivable on short-term investments	16,371	8,029
Change in prepaid expenses and other current assets	3,243	13,113
Change in accounts payable and accrued expenses	(391)	(43,562)
	(159,939)	(281,909)
Cash flows from investing activities:		
Purchase of short-term investments	(20,574,584)	(21,156,714)
Sales and maturities of short-term investments	21,017,827	21,461,052
Acquisition of property and equipment		(14,266)
	443,243	290,072
Cash flows from financing activities:		
Repurchase of common stock	(20,764)	(5,343)
	(20,764)	(5,343)
Net increase in cash and cash equivalents	262,540	2,820
Cash and cash equivalents at beginning of period	28,340	25,520
Cash and cash equivalents at end of period	\$ 290,880	\$ 28,340
Supplemental disclosure of cash flow information:		
Cash paid for:		
Taxes	\$ 510	\$ 1,134

See accompanying notes to consolidated financial statements.

**KENT INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**

	<u>Common Stock</u>		<u>Additional Paid in Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>			
Balance December 31, 2006	3,569,956	\$ 7,140	\$ 99,373,871	\$ (88,507,110)	\$ 10,873,901
Repurchase of common stock	(2,000)	(4)	(5,339)		(5,343)
Net loss				(301,361)	(301,361)
Balance December 31, 2007	3,567,956	7,136	99,368,532	(88,808,471)	10,567,197
Repurchase of common stock	(12,468)	(25)	(20,739)		(20,764)
Stock-based compensation			5,858		5,858
Net loss				(190,937)	(190,937)
Balance December 31, 2008	<u>3,555,488</u>	<u>\$ 7,111</u>	<u>\$ 99,353,651</u>	<u>\$ (88,999,408)</u>	<u>\$ 10,361,354</u>

See accompanying notes to consolidated financial statements.

**KENT INTERNATIONAL HOLDINGS, INC. AND SUBSIDIARY**  
**Notes to Consolidated Financial Statements**  
For the Years Ended December 31, 2008 and 2007

**NOTE 1 – Organization**

The Company, previously known as Cortech, Inc., was a biopharmaceutical company whose primary focus had been the discovery and development of novel therapeutics for the treatment of inflammatory disorders. Specifically, Cortech had directed its research and development efforts principally toward protease inhibitors and bradykinin antagonists. These efforts produced certain intellectual property rights.

In response to disappointing test results and its loss of collaborative partner support, Cortech implemented a series of workforce reductions which resulted in the Company having no compensated employees from 1999 until November 2005, and effectively discontinued all internal research and development activities. In addition, in 1998 Cortech decommissioned its laboratories and sold all of its remaining scientific, technical and office equipment. As a result of these actions, Cortech no longer had the staff or operative facilities required to conduct internal research and development activities.

On May 25, 2006, Cortech was reincorporated in Nevada by a merger with its wholly owned subsidiary, Kent International Holdings, Inc. The reincorporation effected a change in Cortech's legal domicile from Delaware to Nevada and a change in the name from Cortech, Inc. to Kent International Holdings, Inc.

**Nature of Business and Associated Risk**

Our current business plan is to serve as a vehicle for the acquisition of or merger or consolidation with another company (a "target business"). We intend to use our available working capital, capital stock, debt or a combination of these to effect a business combination with a target business which we believe has significant growth potential. The business combination may be with a financially stable, mature company or a company that is in its early stages of development or growth, which could include companies seeking to obtain capital and to improve their financial stability. We will not restrict our search to any particular industry. Rather, we may investigate businesses of essentially any kind or nature and participate in any type of business that may, in our management's opinion, meet our business objectives as described in this report. We emphasize that the description in this report of our business objectives is extremely general and is not meant to restrict the discretion of our management to search for and enter into potential business opportunities. We have not chosen the particular business in which we will engage and have not conducted any market studies with respect to any business or industry for you to evaluate the possible merits or risks of the target business or the particular industry in which we may ultimately operate. To the extent we enter into a business combination with a financially unstable company or an entity in its early stage of development or growth, including entities without established records of sales or earnings, we will become subject to numerous risks inherent in the business and operations of financially unstable and early stage or potential emerging growth companies. In addition, to the extent that we effect a business combination with an entity in an industry characterized by a high level of risk, we will become subject to the currently unascertainable risks of that industry. An extremely high level of risk frequently characterizes certain industries that experience rapid growth. In addition, although we will endeavor to evaluate the risks inherent in a particular industry or target business, we cannot assure you that we will properly ascertain or assess all significant risk factors.

Additionally, Kent International has developed a niche social networking website, [www.ChinaUSPals.com](http://www.ChinaUSPals.com), designed to promote cultural exchange between the citizens of the United States and those of the People's Republic of China. Membership to the site is free, thus, any potential revenues will be derived from advertisements placed on the site by third parties. The site provides users with access to other users' personal profiles and enables the user to send messages to other registered users of similar interests in order to develop lasting

friendships or simply attain a pen pal. ChinaUSPals.com also features user generated discussion forums and blogs as well as user submitted videos and pictures. In July, we reached an agreement with Wizart Studios, LLC, a New York based web design firm, to redesign and market the site in return for a 19% equity interest in ChinaUSPals.com, Inc., the site's holding company. As a part of the agreement, Kent International will be responsible for the costs of marketing the site until revenue is generated. The redesigned site was launched on August 6, 2008. Since then, site membership has grown to over 3,100 members from the approximately 150 members prior to the redesign.

While we are encouraged by the membership and traffic growth since the redesign, we cannot be certain that the growth rate will continue or that existing members will continue using the site. We also face the risk that our website will not be viewable in China or will be deliberately blocked by the government of the People's Republic of China. Internet usage and content are heavily regulated in China and compliance with these laws and regulations may cause us to change or limit our business practices in a manner adverse to our business.

The Company does not expect that these activities will generate any significant revenues for an indefinite period as these efforts are in their early stages. As a result, these programs may produce significant losses until such time as meaningful revenues are achieved.

## **NOTE 2 - Significant Accounting Policies**

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash in banks and brokerage firms.

### **Short-term Investments**

Short-term investments consist of U.S. Treasury Bills with original maturities of six months and are valued at cost plus accrued interest, which approximates fair value.

### **Basic and Diluted Net Loss Per Share**

Basic loss per common share is computed by dividing the net loss by the weighted-average number of common shares outstanding. Diluted loss per share is computed by dividing the net loss by the sum of the weighted-average number of common shares outstanding plus the dilutive effect of shares issuable through the exercise of stock options.

We have excluded 100,000 and 120,000 Common Stock options from the calculation of diluted loss per share for the years ended December 31, 2008 and 2007, respectively, which, if included, would have an antidilutive effect.

## **Income Taxes**

The Company recognizes deferred tax assets and liabilities related to the expected future tax consequences of events that have been recognized in the Company's financial statements and tax returns. However, if it is more likely than not that some portion or all of the net deferred tax assets will not be realized, a valuation allowance is established and the tax benefit is not recognized in the statements of operations.

## **Stock Based Compensation Expense**

The Company follows SFAS No. 123(R), "*Share-Based Payment*," ("SFAS 123(R)"), a revision of SFAS 123, "*Accounting for Stock-Based Compensation*." SFAS 123(R) requires that the compensation cost relating to share-based payment transactions be recognized in financial statements. The compensation cost is measured based on the fair value of the equity or liability instruments issued.

## **New Accounting Pronouncements**

FASB issued SFAS No. 157 ("SFAS 157") "*Fair Value Measurements*" on September 15, 2006. SFAS 157 enhances existing guidance for measuring assets and liabilities using fair value. Previously, guidance for applying fair value was incorporated in several accounting pronouncements. The new statement provides a single definition of fair value, together with a framework for measuring it, and requires additional disclosure about the use of fair value to measure assets and liabilities. While the statement does not add any new fair value measurements, it does change current practice. One such change is a requirement to adjust the value of nonvested stock for the effect of the restriction even if the restriction lapses within one year. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The adoption of SFAS 157 is not expected to have a material impact on the financial statements of the Company.

In December 2007, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") No. 141 (R), *Business Combinations*, and SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements*. SFAS No. 141 (R) requires an acquirer to measure the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at their fair values on the acquisition date, with goodwill being the excess value over the net identifiable assets acquired. SFAS No.160 clarifies that a noncontrolling interest in a subsidiary should be reported as equity in the consolidated financial statements. The calculation of earnings per share will continue to be based on income amounts attributable to the parent. SFAS No. 141 (R) and SFAS No. 160 are effective for financial statements issued for fiscal years beginning after December 15, 2008. Early adoption is prohibited. We have not yet determined the effect on our consolidated financial statements, if any, upon adoption of SFAS No. 141 (R) or SFAS No. 160. SFAS 141 (R) will significantly affect the accounting for future business combinations and we will determine the accounting as new combinations are determined.

### NOTE 3 – Property, Plant & Equipment

Net property, plant and equipment as December 31, 2008 and 2007 consisted of (numbers in thousands):

	<u>2008</u>	<u>2007</u>
Office Furniture and Equipment	\$ 7,391	\$ 7,391
Less: Accumulated Depreciation	<u>(7,391)</u>	<u>(1,474)</u>
	<u>\$ -</u>	<u>\$ 5,917</u>

### Website Development Costs

The Company recorded a charge of approximately \$37,764 in June 2007 to write off certain website development costs related to our social networking website, ChinaUSPals.com. These costs were associated with a beta version of the website that the Company is no longer utilizing.

### NOTE 4 - Income Taxes

As of December 31, 2008, the Company had approximately \$63.4 million of net operating loss carryforwards (“NOL”) for income tax purposes and approximately \$1.85 million of research and development and foreign tax credit carryforwards available to offset future federal income tax, subject to limitations for alternative minimum tax. The NOLs and tax credit carryforwards expire in various years from 2009 through 2027.

Income tax expense for the years ended December 31, 2008 and 2007 consisted entirely of New Jersey State income taxes. The income tax expense for the years ended December 31, 2008 and 2007 is different from the amount computed by multiplying total earnings before income taxes by the statutory Federal income tax rate of 35%. The reasons for this difference and the related tax effect are as follows:

	<u>2008</u>	<u>2007</u>
Loss before income taxes	\$ (190,937)	\$ (301,361)
Stock-based compensation expense	<u>5,858</u>	<u>          </u>
	(185,079)	(301,361)
Statutory federal income tax rate	<u>35%</u>	<u>35%</u>
Expected income tax benefit	(64,778)	(105,476)
Increase in valuation allowance	64,778	105,476
State income tax expense	<u>510</u>	<u>1,134</u>
Provision for income tax	<u>\$ 510</u>	<u>\$ 1,134</u>

Deferred income taxes reflect the net effects of (a) temporary differences between the carrying amounts of assets and liabilities for financial statement purposes and the amounts used for income tax purposes, and (b) operating loss and tax credit carryforwards.

The tax effect of significant items comprising the Company’s net deferred tax asset as of December 31, 2008 and 2007 is as follows:

	<u>2008</u>	<u>2007</u>
Net operating loss carryforwards	\$ 63,368,181	\$ 77,603,669
Stock-based compensation expense	(5,858)	
	<hr/>	<hr/>
	63,362,323	77,603,669
Statutory federal income tax rate	35%	35%
	<hr/>	<hr/>
Expected income tax benefit	22,176,813	27,161,284
Research and development and other credits	1,848,114	2,233,972
	<hr/>	<hr/>
Valuation Allowance	24,024,927	29,395,256
	(24,024,927)	(29,395,256)
	<hr/>	<hr/>
Net deferred tax asset	\$ -	\$ -
	<hr/>	<hr/>

Management believes the deferred tax assets as of December 31, 2008 do not satisfy the realization criteria set forth in SFAS No. 109 and has recorded a valuation allowance for the entire net tax asset.

The Tax Reform Act of 1986 contained provisions that may limit the NOL and credit carryforwards available to be used in any given year upon the occurrence of certain events, including significant changes in ownership of a company of greater than 50% within a three-year period which results in an annual limitation on the Company's ability to utilize its NOLs and tax credit carryforwards from tax periods prior to the ownership change.

#### **NOTE 6 - Stockholders' Equity**

##### **Preferred Stock**

The Company is authorized to issue 2,000,000 shares of \$.002 par value preferred stock, which may be issued with various terms in one or more series, as the Board of Directors may determine. No preferred stock has been issued as of December 31, 2008.

##### **Common Stock**

In October 2000, the Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to 320,000 shares of its Common Stock at prices deemed favorable from time to time in the open market or in privately negotiated transactions subject to market conditions, the Company's financial position and other considerations. This program has no expiration date. During the years ended December 31, 2008 and 2007, the Company acquired 12,468 and 2,000 shares, respectively at a cost of \$20,764 and \$5,343, respectively. As of December 31, 2008, 121,068 shares remaining authorized for repurchase under the program. All shares repurchased were returned to the status of authorized but unissued shares.

##### **Stock Option Plans**

Kent International has issued certain common stock options to its employees, directors and consultants. At December 31, 2008, Kent International had 200,000 common stock options outstanding.

The Company's 1986 Stock Option Plan ("1986 Plan") authorizes the grant of stock options to officers and employees of the Company to purchase an aggregate of 300,000 shares of common stock. On May 8, 2008, the Board awarded a non-qualified stock option to Bryan P. Healey to purchase 100,000 shares of Kent International's common stock under the 1986 Plan. The option has an exercise price of \$3.20 and shall become exercisable at a

rate of 20,000 shares on each of the first five anniversaries of the date of grant, provided that Mr. Healey remain in the continuous employ of the company. The option shall expire on May 8, 2018, unless earlier terminated.

The stock options granted under the plan may be incentive stock options (“ISO”) or nonstatutory stock options (“NSO”). The Board of Directors may set the rate at which the options expire, subject to limitations discussed below. However, no options shall be exercisable after the tenth anniversary of the date of grant or, in the case of ISOs, three months following termination of employment, except in cases of death or disability, for which the time or exercisability is extended. In the event of dissolution, liquidation or other corporate reorganization, all stock options outstanding under the 1986 Plan would become exercisable in full.

ISOs may not be granted at an exercise price of less than the fair market value of the common stock at the date of grant. If an ISO is granted to an employee who owns more than 10% of the Company’s total voting stock, such exercise price shall be at least 110% of fair market value of the common stock, and the ISO shall not be exercisable until after five years from the date of grant. The exercise price of each NSO may not be less than 85% of the fair market value of the common stock at the date of grant.

The plan also provides for stock appreciation rights, which may be granted with respect to any stock option. No stock appreciation rights have been granted through December 31, 2008.

A summary of the status of the Company’s 1986 Plan as of December 31, 2008 and 2007 and changes during the years ended on those dates is presented below:

	2008			2007		
	Shares	Weighted-Average Exercise Price	Range of Exercise Price	Shares	Weighted-Average Exercise Price	Range of Exercise Price
Options outstanding at the beginning of the year	120,000	\$ 3.50	\$ 3.50	290,850	\$ 3.52	\$3.50 - \$7.34
Awarded	100,000	\$ 3.20	\$ 3.20			
Expired	<u>(20,000)</u>	\$ 3.50	\$ 3.50	<u>(170,850)</u>	\$ 3.54	\$3.50 - \$7.34
Options outstanding at the end of the year	<u>200,000</u>	\$ 3.35	\$3.20-\$3.50	<u>120,000</u>	\$ 3.50	\$ 3.50
Options exercisable at the end of the year	<u>100,000</u>	\$ 3.50	\$ 3.50	<u>120,000</u>	\$ 3.50	\$ 3.50

During the year ended December 31, 2007, 300 common stock options with an exercise price of \$7.34 awarded to certain directors and consultants outside of the 1986 plan expired.

For all options outstanding and exercisable at December 31, 2008, the exercise price ranges are:

Range of Exercise Prices	Options Outstanding			Options Exercisable		
	Number Outstanding at December 31, 2008	Weighted Average Remaining Life (in Years)	Weighted Average Exercise Price	Number Outstanding at December 31, 2008	Average Remaining Life (in Years)	Weighted Average Exercise Price
\$3.20-\$3.50	200,000	5.45	\$ 3.35	100,000	1.54	\$ 3.50

#### **NOTE 7 - Stock Based Compensation**

The Company recorded stock based compensation expense during 2008 for the options granted to an employee in May 2008. The options granted have an exercise price greater than the market price of the Company's stock on the grant date. For purposes of calculating the compensation cost consistent with SFAS No. 123(R), "*Share-Based Payment*," the fair value of the option grant was estimated on the grant date using the Black-Scholes option-pricing model with the following assumptions used: no dividend yield; expected volatility of 25.31 percent; risk free interest rate of 3.125 percent; and weighted average expected life of 6.5 years. The Company recognized approximately \$5,858 in stock based compensation expense for the year ended December 31, 2008. As of December 31, 2008 there was \$38,077 of total unrecognized compensation cost related to non-vested awards granted under this plan, which is expected to be recognized on a straight line basis over the vesting term.

#### **NOTE 8 - Related Party Transactions**

A monthly management fee of \$21,000 is paid to Kent Financial Services, Inc. ("Kent"), a Nevada corporation, for management services. These services include, among other things, periodic and other filings with the Securities and Exchange Commission, evaluating merger and acquisition proposals, internal accounting and shareholder relations. This arrangement may be terminated at will by either party. Kent was the beneficial owner of approximately 53.44% of the Company's outstanding common stock at December 31, 2008. Paul O. Koether, Chairman of the Company is also the Chairman of Kent and the beneficial owner of approximately 59.11% of Kent's outstanding common stock. Bryan P. Healey, Chief Financial Officer of the Company is also the Chief Financial Officer of Kent and the son-in-law of Paul O. Koether.

#### **Item 9. - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

#### **Item 9A. - CONTROLS AND PROCEDURES**

##### **Evaluation of Disclosure Controls and Procedures**

As of the end of the period covered by this report, the Company carried out, under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) in ensuring that information required to be disclosed by the Company in its reports is recorded, processed, summarized and reported within the required time periods. In carrying out that evaluation, management identified a material weakness (as defined in Public Company Accounting Oversight Board Standard No. 2) in our internal control over financial reporting regarding a lack of adequate segregation of duties. Accordingly, based on their evaluation of our disclosure controls and procedures as of December 31, 2008, the Company's Chief Executive Officer and its Chief Financial Officer have concluded that, as of that date, the Company's controls and procedures were not effective for the purposes described above.

There was no change in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) during the quarter ended December 31, 2008 that has materially affected or is reasonably likely to materially affect the Company's internal control over financial reporting.

### **Management's Report on Internal Control over Financial Reporting**

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. We have assessed the effectiveness of those internal controls as of December 31, 2008, using the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") *Internal Control – Intergrated Framework* as a basis for our assessment.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. 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 and procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

A material weakness in internal controls is a deficiency in internal control, or combination of control deficiencies, that adversely affects the Company's ability to initiate, authorize, record, process, or report external financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a material misstatement of the Company's annual or interim financial statements that is more than inconsequential will not be prevented or detected. In the course of making our assessment of the effectiveness of internal controls over financial reporting, we identified a material weakness in our internal control over financial reporting. This material weakness consisted of inadequate staffing and supervision within the bookkeeping and accounting operations of our company. The relatively small number of employees who have bookkeeping and accounting functions prevents us from segregating duties within our internal control system. The inadequate segregation of duties is a weakness because it could lead to the untimely identification and resolution of accounting and disclosure matters or could lead to a failure to perform timely and effective reviews.

As we are not aware of any instance in which the company failed to identify or resolve a disclosure matter or failed to perform a timely and effective review, we determined that the addition of personnel to our bookkeeping and accounting operations is not an efficient use of our resources at this time.

Because of the above condition, the Company's internal controls over financial reporting were not effective as of December 31, 2008.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this annual report.

### **Item 9B - OTHER INFORMATION**

None.

### PART III

#### ITEM 10. - DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

James L. Bicksler resigned as Director of the Company effective September 30, 2008. Mr. Bicksler had served as a Director of the Company since 1998.

The Board of Directors will serve until the next Annual Meeting or until their successors have been duly elected and qualified. The Company's officers are elected by and serve at the leave of the Board. The directors and executive officers of the Company at February 28, 2009 were as follows:

<u>Name</u>	<u>Age</u>	<u>Position Held</u>
Paul O. Koether	72	Chairman, Chief Executive Officer and Director
Diarmuid F. Boran	49	Director
Rocco Mastrodomenico	35	Director
Bryan P. Healey	38	Chief Financial Officer and Director

**Paul O. Koether**, has been Chairman and Chief Executive Officer since September 1998, as well as President from October 2003 until November 2005 and August 2007 through the present, of the Company. Mr. Koether was Chairman from April 1988 to July 2005, President from April 1989 to February 1997 and director from March 1988 to July 2005 of Pure World, Inc., ("Pure World") and from December 1994 until July 2005 a director and from January 1995 to July 2005 Chairman of Pure World's wholly owned subsidiary, Pure World Botanicals, Inc., a manufacturer and distributor of natural products. Mr. Koether was Chairman and a Director of Sun Equities Corporation, ("Sun") a private company until Sun was merged into Pure World in December 2004. Mr. Koether was Chairman from 1990 until August 2003 and a registered representative since 1989 of T. R. Winston & Company, LLC. ("Winston"). Since 1987, Mr. Koether has been Chairman, Director and Chief Executive Officer of Kent Financial Services, Inc. ("Kent Financial") as well as President of Kent Financial from October 1990 until November 2005 and August 2007 through present, and until December 31, 2003 when it was dissolved, the general partner of Shamrock Associates, an investment partnership which was the principal stockholder of Kent Financial. From November 2003 to December 2003, Mr. Koether was General Partner of Emerald Partners, an investment partnership. Bryan P. Healey, Chief Financial Officer and Director of the Company is the son-in-law of Paul O. Koether.

**Diarmuid F. Boran**, has been a Director of the Company since May 2003. Mr. Boran currently serves as Chief Operating Officer of Brandmeyer Enterprises. He has been employed by the company since May 2008. From November 2006 through May 2008 he was employed by Enturia, Inc., most recently as Vice President, Corporate Development. From March 2005 through May 2006 he was the Entrepreneur in Residence for the Kansas Technology Enterprise Corporation (KTEC). He worked as an independent consultant from January 2003 to February 2005 and from April 2001 to October 2001. From October 2001 to December 2002, Mr. Boran was employed by EMD Pharmaceuticals, Inc., an affiliate of Merck KGaA, Darmstadt, Germany, most recently as Leader, Oncology Licensing and Business Development. From May 2000 to September 2000 Mr. Boran served as Senior Vice President, Business Development for DJ Pharma, Inc. which was then acquired by Biovail Pharmaceuticals, Inc. Mr. Boran served as Senior Vice President, Business Development for Biovail until April 2001.

**Rocco Mastrodomenico**, Director of the Company since November 2005, is a Certified Public Accountant. Mr. Mastrodomenico is President of Imperial Consulting Services, LLC since July 2005. Mr. Mastrodomenico was a

Supervisor with Sobel & Company, LLC, a certified public accounting and consulting firm from October 2002 until June 2005. From May 1999 until September 2002, Mr. Mastrodomenico was involved with several different companies within the financial services industry, including Financial Analyst with T.R. Winston and Controller of Pure World Botanicals, Inc. From September 1996 to April 1999, Mr. Mastrodomenico was with Deloitte & Touche, LLP.

**Bryan P. Healey**, a certified public accountant, has been Vice-President, Secretary and Chief Financial Officer of the Company since May 2006 and a Director since November 2007. Mr. Healey has also been Vice-President, Secretary and Chief Financial Officer since May 2006 and a Director since November 2007 of Kent Financial Services, Inc. Since July 2006, Mr. Healey has been a registered representative of T. R. Winston & Company, LLC. From September 1995 to April 2006, Mr. Healey was with Bowman & Company, L.L.P., the largest CPA firm in Southern New Jersey, in various positions including audit manager from July 2001 to April 2006.

### **Audit Committee**

The Board has an Audit Committee, which consists of Mr. Boran and Mr. Mastrodomenico, each of whom has been determined by the Board to be independent.

### **Audit Committee Financial Expert**

The Board of Directors of the Company has determined that Rocco Mastrodomenico is an audit committee financial expert as that term is defined under SEC rules.

### **Nominating Committee; Compensation Committee**

The Board of Directors has neither a nominating committee nor a compensation committee. The Board believes that its numbers are sufficiently small that nominations and determinations of compensation can be addressed by the entirety of the Board.

### **Code of Ethics**

The Company has adopted a Code of Ethics that applies to its principal executive officer and principal financial officer. Stockholders may write to Bryan P. Healey, the Secretary of the Company, at the Company's principal executive office: 211 Pennbrook Road, P.O. Box 97, Far Hills, New Jersey 07931, to request a copy of the Code of Ethics, and the Company will provide it to any person without charge upon such request.

## **ITEM 11. - EXECUTIVE COMPENSATION**

### **Summary Compensation Table**

The table shown below includes information concerning the annual compensation for services in all capacities to the Company for the fiscal years ended December 31, 2008 and 2007, for those persons who were, at December 31, 2008 and 2007, the chief executive officer, the principal financial officer and the most highly paid executive officer other than the chief executive officer and principal financial officer (the "Named Officers"). The Company did not compensate any officers over \$100,000 other than the Named Officers.

Name and Principal Position	Year	Salary <sup>(1)</sup>	Bonus	Option Awards	All Other Compensation	Total
Paul O. Koether	2008					
Chief Executive Officer and	2007					
Chairman of the Board	2006					
Qun Yi Zheng						
President	2007	\$ 133,333			\$ 163,854 <sup>(2)</sup>	\$ 297,187
	2006	200,000			33,495	233,495
Bryan P. Healey	2008			\$ 5,858		5,858
Chief Financial Officer,	2007					
Principal Financial and	2006					
Accounting Officer						

(1) Mr. Koether and Mr. Healey were elected to their current positions on September 20, 1998 and May 15, 2006, respectively, and receive no cash compensation or fees for their services. Mr. Healey was awarded 100,000 common stock options on May 8, 2008 (see note 7 of the notes to consolidated financial statements "Stock-based Compensation" for more details)

(2) Amount includes \$13,518 and \$13,519 paid by Kent International in 2007 and 2006, respectively, for Dr. Zheng's country club membership, \$1,846 paid in 2007 and 2006 for Dr. Zheng's life insurance premium and \$18,490 paid in 2007 and 2006 to lease an automobile used for business purposes. All Other Compensation also includes \$130,000 paid in accordance with the separation agreement with Dr. Zheng dated August 24, 2007. Dr. Zheng resigned effective August 31, 2007.

#### Outstanding Equity Awards at Fiscal Year End

On May 8, 2008, the Board awarded a non-qualified stock option to Bryan P. Healey to purchase 100,000 shares of Kent International's common stock under the 1986 Plan. The option has an exercise price of \$3.20 and shall become exercisable at a rate of 20,000 shares on each of the first five anniversaries of the date of grant, provided that Mr. Healey remain in the continuous employ of the company. The option shall expire on May 8, 2018, unless earlier terminated.

No stock options were awarded to the Named Executive Officers in 2007. No stock appreciation rights were granted to the Named Executive Officers in 2008 or 2007.

The table below contains information concerning the fiscal year-end value of unexercised options held by the Named Executive Officers as of December 31, 2008. No options were exercised by any Named Executive Officer in 2008 or 2007.

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards:		
			Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price	Option Expiration Date
Paul O. Koether	100,000	-	-	\$ 3.50	07/16/10
Bryan P. Healey	-	100,000	-	\$ 3.20	05/08/18

## Long-Term Incentive Plan Awards Table and Defined Benefit or Actuarial Plan Table

The Company does not maintain any long-term incentive plans or defined benefit or actuarial plans.

### Equity Compensation Plan Information

The following table shows information with respect to each equity compensation plan under which the Company's Common Stock is authorized for issuance as of the end of fiscal year 2008.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans Excluding Securities Reflected in Column (a)
<b>Equity Compensation Plans Approved by Security Holders</b>			
1986 Stock Option Plan	200,000	\$ 3.35	100,000

### Director Compensation Table

Directors who are not employees of the Company receive a monthly fee of \$500 plus \$1,000 for each day of attendance at board and committee meetings and \$500 for each day of attendance telephonically at board and committee meetings. During 2008, the Company paid directors fees in the aggregate amount of approximately \$22,000. The table below includes information about compensation paid to our non-employee directors during 2008.

Name	Fees Earned or Paid in Cash	Total
Diarmuid F. Boran	\$ 8,000	\$ 8,000
James L. Bicksler	6,000	6,000
Rocco Mastrodomenico	8,000	8,000
	<u>\$ 22,000</u>	<u>\$ 22,000</u>

## **ITEM 12. - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The following table sets forth the beneficial ownership of Common Stock of the Company as of February 28, 2009, by each person who was known by the Company to beneficially own more than 5% of the Common Stock, by each current director and nominee, each Named Executive Officer, and by all current directors and Named Executive Officers as a group:

<u>Name and Address of Beneficial Owner</u>	<u>Number of Shares of Common Stock Beneficially Owned</u> <sup>(1)</sup>	<u>Approximate Percent of Class</u>
Kent Financial Services, Inc. 211 Pennbrook Road PO Box 97 Far Hills, NJ 07931	1,900,000	53.44%
Paul O. Koether <sup>(1)</sup> 211 Pennbrook Road PO Box 97 Far Hills, NJ 07931	2,108,440 <sup>(2) (3)</sup>	57.68%
Dirmuid Boran c/o 211 Pennbrook Road PO Box 97 Far Hills, NJ 07931	-	-
Rocco Mastrodomenico 790 Speedwell Avenue Morris Plains, NJ 07950	-	-
Bryan P. Healey <sup>(1) (4)</sup> 211 Pennbrook Road PO Box 97 Far Hills, NJ 07931	1,914,420 <sup>(2) (4)</sup>	53.84%
Biotechnology Value Fund 227 West Monroe Street Suite 4800 Chicago, IL 60606	725,606 <sup>(5)</sup>	20.41%
All directors and officers as a group (4 persons)	2,122,860	58.07%

(1) This table is based upon information supplied by the Company's officers, directors and principal stockholders and Form 4's filed with the Securities Exchange Commission (the "SEC"). Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, the Company believes that each of the stockholders named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned. Applicable percentages are based on 3,555,488 shares outstanding on February 28, 2009, adjusted as required by rules promulgated by the SEC. Included in such number of shares beneficially owned are shares subject to options currently exercisable or becoming exercisable within 60 days: Paul O. Koether (100,000); and all directors and executive officers as a group (100,000).

(2) Includes 1,900,000 shares held by Kent Financial Services, Inc. ("Kent"), a Nevada Corporation. Mr. Koether is the Chairman and Chief Executive Officer of Kent and Mr. Healey is the Secretary and Chief Financial Officer of Kent. Mr. Koether and Mr. Healey disclaim beneficial ownership of those shares.

(3)Includes 44,730 shares held in Mr. Koether's IRA. Also includes 63,710 shares beneficially owned by the Marital Trust u/w/o Natalie Koether. As trustee, Mr. Koether may be deemed to own these shares beneficially.

(4)Includes 6,420 shares held in Mr. Healey's IRA. Also includes 8,000 shares beneficially owned by Mr. Healey's spouse.

(5)According to Form 4 filed on December 10, 2001 on behalf of Biotechnology Value Fund L.P., Biotechnology Value Fund II L.P., BVF Partners L.P., BVF, Inc., and BVF Investments L.L.C. (collectively "Biotechnology Value Fund").

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act as amended and the regulations and rules promulgated thereunder require the Company's officers, directors and persons who own more than ten percent of a registered class of the Company's equity securities ("Principal Owners") , (i) file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the Securities and Exchange Commission and the National Association of Securities Dealers and (ii) furnish copies of these filings to the Company.

Based solely on the Company's review of the copies of such forms (and amendments) it has received and representations from certain reporting persons that they were not required to file Forms 5 for specified fiscal years, the Company believes that all its officers, directors and Principal Owners complied with all filing requirements applicable to them with respect to transactions during fiscal 2008.

### **ITEM 13. - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE**

#### **Certain Relationships and Related Transactions**

A monthly management fee of \$21,000 is paid to Kent Financial Services, Inc. ("Kent"), a Nevada corporation, for management services. These services include, among other things, periodic and other filings with the Securities and Exchange Commission, evaluating merger and acquisition proposals, internal accounting and shareholder relations. This arrangement may be terminated at will by either party. Kent was the beneficial owner of approximately 53.44% of the Company's outstanding common stock at December 31, 2008. Paul O. Koether, Chairman of the Company is also the Chairman of Kent and the beneficial owner of approximately 59.11% of Kent's outstanding common stock. Bryan P. Healey, Chief Financial Officer of the Company is also the Chief Financial Officer of Kent and the son-in-law of Paul O. Koether.

#### **Director Independence**

The following members of the Board of Directors are "independent" as that term is defined in the Rules of the NASDAQ Stock Market: Diarmuid Boran and Rocco Mastrodomenico.

### **Item 14. - PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The Company's Principal Accountant for 2008 and 2007 was Paritz and Company, P.A. ("Paritz").

#### **Year ended December 31, 2008**

Audit Fees: The aggregate fees, including expenses, expected to be billed by Paritz in connection with the audit of the Company's consolidated financial statements and for the review of the Company's financial information

included in the Company's Annual Report on Form 10-K for the fiscal year ending December 31, 2008 are \$13,000. The aggregate fees, including expenses, billed by Paritz in connection with the review of the Company's financial information included in the Company's quarterly reports on Form 10-Q filed during the fiscal year ending December 31, 2008 were \$4,500.

Audit Related Fees: No audit related fees were billed to the Company by Paritz in 2008.

Tax Fees: The aggregate fees, including expenses, billed by Paritz in connection with the preparation of income tax returns for the Company during fiscal year ended December 31, 2008 were \$2,000.

All Other Fees: Paritz billed the Company \$1,250 during 2008 for due diligence services related to a proposed acquisition that was terminated prior to closing.

### **Year ended December 31, 2007**

Audit Fees: The aggregate fees, including expenses, billed by Paritz in connection with the audit of the Company's consolidated financial statements and for the review of the Company's financial information included in the Company's Annual Report on Form 10-KSB for the fiscal year ending December 31, 2007 were \$13,000. The aggregate fees, including expenses, billed by Paritz in connection with the review of the Company's financial information included in the Company's quarterly reports on Form 10-QSB filed during the fiscal year ending December 31, 2007 were \$4,500.

Audit Related Fees: No audit related fees were billed to the Company by Paritz in 2007.

Tax Fees: The aggregate fees, including expenses, billed by Paritz in connection with the preparation of income tax returns for the Company during fiscal year ended December 31, 2007 were \$2,000.

All Other Fees: No other fees were billed to the Company by Paritz during 2007.

### **Audit Committee Pre-Approval Policies and Procedures**

The Audit Committee pre-approved all non-audit work performed by the Company's principal accountant, specifically, the preparation of income tax returns for the Company.

### **ITEM 15. - EXHIBITS**

The following exhibits are filed as part of this report:

<u>Exhibit Number</u>	<u>Description of Document</u>
3.1	Articles of Incorporation of Kent International Holdings, Inc. <sup>(1)</sup>
3.2	Bylaws of Kent International Holdings, Inc. <sup>(1)</sup>
3.3	Certificate of Designation for Series A Junior Participating Preferred Stock. <sup>(2)</sup>
10.39	Amended and Restated 1986 Incentive Stock Option Plan of the Company. <sup>(3)**</sup>
21	Subsidiary

- 31.1 Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002\*\*\*
  - 31.2 Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002\*\*\*
  - 32 Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002\*\*\*
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- (1) Filed as an exhibit to the Company's Definitive Information Statement on Form DEF 14C filed April 21, 2006, film number 06771307, and incorporated herein by reference.
- (2) Filed as an exhibit to the Company's annual report on Form 10-K for the year ended December 31, 1995, and incorporated herein by reference.
- (3) Filed as an exhibit to the Company's Registration Statement of Form S-1, filed October 13, 1992, file number 33-53244, or amendments thereto and incorporated herein by reference.

\*\* Compensatory Plan.

\*\*\* Filed herewith.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KENT INTERNATIONAL HOLDINGS, INC.

March 20, 2009

By: /s/ Paul O. Koether  
Paul O. Koether  
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Capacity</u>	<u>Date</u>
<u>/s/ Paul O. Koether</u> Paul O. Koether	Chairman and Chief Executive Officer (Principal Executive Officer)	March 20, 2009
<u>/s/ Bryan P. Healey</u> Bryan P. Healey	Chief Financial Officer, Treasurer, Secretary and Director (Principal Financial And Accounting Officer)	March 20, 2009
<u>/s/ Diarmuid Boran</u> Diarmuid Boran	Director	March 20, 2009
<u>/s/ Rocco Mastrodomenico</u> Rocco Mastrodomenico	Director	March 20, 2009

**KENT INTERNATIONAL HOLDINGS, INC.**

Subsidiary

Name of Subsidiary

State of Incorporation

ChinaUSPals.com, Inc.

Nevada

**CERTIFICATION PURSUANT TO SECTION 302  
OF THE SARBANES-OXLEY ACT OF 2002**

I, Paul O. Koether, certify that:

1. I have reviewed this annual report on Form 10-K of Kent International Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, 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;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 20, 2009

/s/ Paul O. Koether  
Paul O. Koether  
Chief Executive Officer

**CERTIFICATION PURSUANT TO SECTION 302  
OF THE SARBANES-OXLEY ACT OF 2002**

I, Bryan P. Healey, certify that:

1. I have reviewed this annual report on Form 10-K of Kent International Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, 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;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 20, 2009

/s/ Bryan P. Healey

Bryan P. Healey  
Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Public Company Accounting Reform and Investor Protection Act of 2002 (18 U.S.C. 1350, as adopted), Paul O. Koether, the Chief Executive Officer of Kent International Holdings, Inc., (the "Company"), and Bryan P. Healey, the Chief Financial Officer of the Company, each hereby certifies that, to the best of his knowledge:

1. The Company's Annual Report on Form 10-K for the period ended December 31, 2008, to which this Certification is attached as Exhibit 32 (the "Annual Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended;

and

2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 20, 2009

/s/ Paul O. Koether  
Paul O. Koether  
Chief Executive Officer

/s/ Bryan P. Healey  
Bryan P. Healey  
Chief Financial Officer