

CHINA SECURITY & SURVEILLANCE TECHNOLOGY, INC.

Form 10-K/A

March 23, 2007

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K/A

Amendment No. 1

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

For the fiscal year ended: December 31, 2006

o 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: 000-50917

CHINA SECURITY & SURVEILLANCE TECHNOLOGY, INC.
(Exact Name Of Registrant As Specified In Its Charter)

Delaware

98-0509431

(State or other jurisdiction of incorporation or
organization)

(I.R.S. Employer Identification Number)

13/F, Shenzhen Special Zone Press Tower, Shennan Road,
Futian District, Shenzhen,
Peoples Republic of China, 518034

(86) 755-8351-0888

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, \$.0001 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No ☒

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☐

Indicate by check mark 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, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒

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

At June 30, 2006, the last business day of the registrant's most recently completed second fiscal quarter, there were 24,524,667 shares of the registrant's common stock outstanding, and the aggregate market value of such shares held by non-affiliates of the registrant (based upon the closing price of such shares as reported on the Over-the-Counter Bulletin Board) was approximately \$54 million. Shares of the registrant's common stock held by the registrant's executive officers and directors have been excluded because such persons may be deemed to be affiliates of the registrant. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

There were 34,734,127 shares of common stock outstanding as of March 16, 2007.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant's Proxy Statement for its Annual Meeting of Shareholders to be filed with the Commission within 120 days after the close of the registrant's fiscal year are incorporated by reference into Part III of this Annual Report on Form 10-K.

EXPLANATORY NOTE

China Security & Surveillance Technology, Inc. (the “Company”) is filing this Amendment No. 1 on Form 10-K/A solely to correct for certain typographical errors contained in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2006, as filed with the U.S. Securities and Exchange Commission on March 21, 2007 (the “Original Filing”).

The first correction is located under “Recent Sales of Unregistered Securities” contained in Item 5 on page 20 of the Original Filing, wherein the Company stated that “[o]n April 4, 2006, we completed a private placement in which we sold 2,666,667 shares of our common stock at a price of \$3.00 per share for aggregate gross proceeds of \$800,000 to certain accredited investors.” The figure \$800,000 has now been corrected to read \$8,000,000.

The remaining corrections are all located under Item 8 in the table on page 35 of the Original Filing showing certain unaudited financial information for each of the eight quarters ended December 31, 2006. In the Original Filing the Company misstated both the basic and diluted income per share for the fiscal quarters ended March 31, 2006 and December 31, 2006. The basic income per share for the first and fourth fiscal quarters of 2006 have been corrected from \$0.26 and \$0.12, respectively, to \$0.16 and \$0.22, respectively. The diluted income per share for the first and fourth quarters of 2006 have been corrected from \$0.26 and \$0.10, respectively, to \$0.16 and \$0.20, respectively. Included in this Form 10-K/A is the complete text of Item 5, Item 8 and Item 15, with no changes other than as described above.

No other information in the Original Filing is amended hereby. This Form 10-K/A continues to describe conditions as of the date of the Original Filing, and accordingly, the Company has not updated the disclosures contained herein to reflect events that occurred at a later date.

As required by Rule 12b-15 promulgated under the Securities Exchange Act of 1934, as amended, the Company’s principal executive officer and principal financial officer are providing Rule 13a-14(a) certifications in connection with this Form 10-K/A (but otherwise identical to their prior certifications) and are also furnishing, but not filing, Rule 13a-14(b) certifications in connection with this Form 10-K/A (but otherwise identical to their prior certifications).

PART I**ITEM 5. MARKET FOR OUR COMMON STOCK**

Our common stock has been quoted on the OTCBB since June 2005 and currently trades under the symbol “CSCT.OB.” The CUSIP number is 16942J105.

The following table sets forth the quarterly high and low bid prices of a share of our common stock as reported by the OTCBB for the periods indicated. The quotations listed below reflect inter-dealer prices, without retail mark-ups, mark-downs or commissions and may not necessarily represent actual transactions.

	Closing Bid Prices ⁽¹⁾	
	High	Low
<i>Year Ended December 31, 2006</i>		
1st Quarter	\$ 4.40	\$ 3.50
2nd Quarter	8.10	3.60
3rd Quarter	6.70	4.00
4th Quarter	12.10	7.05
<i>Year Ended December 31, 2005</i>		
1st Quarter	N/A	N/A
2nd Quarter	0.25	0.05
3rd Quarter	4.50	0.05
4th Quarter	3.00	1.85

(1) The above tables set forth the range of high and low closing bid prices per share of our common stock as reported by www.quotemedia.com for the periods indicated.

Approximate Number of Holders of Our Common Stock

On March 16, 2007, there were approximately 438 stockholders of record of our common stock. This number excludes the 12,397,119 shares of our common stock owned by stockholders holding stock under nominee security position listings.

Dividend Policy

We have never declared or paid cash dividends. Any future decisions regarding dividends will be made by our board of directors. We currently intend to retain and use any future earnings for the development and expansion of our business and do not anticipate paying any cash dividends in the foreseeable future.

Recent Sales of Unregistered Securities

In March 2006, we issued 100,000 shares of common stock to Terence Yap as payment for his services which are being rendered through February 2009. The value attributed to these shares was \$350,000 (\$3.50 per share). These stock issuances were exempt from registration pursuant to Section 4(2) of the Securities Act.

On April 4, 2006, we completed a private placement in which we sold 2,666,667 shares of our common stock at a price of \$3.00 per share for aggregate gross proceeds of \$8,000,000 to certain accredited investors. We also issued warrants to purchase 416,667 shares of our common stock to certain entities as compensation for their services in connection with the private placement, 150,000 of which have an exercise price of \$3.80 per share, while the remaining 266,667 are exercisable at a price of \$3.00 per share. The issuance was made in reliance on the exemption provided by Section 4(2) of the Securities Act for the offer and sale of securities not involving a public offering and Regulation D promulgated thereunder.

On July 31, 2006, we issued 4,634,592 units to 26 accredited investors for an aggregate gross cash purchase price of \$16,221,093 at a price of \$3.50 per share. Each unit consists of one share of our common stock and a warrant to purchase one-fifth of one share of our common stock. We also issued warrants to purchase 324,421 shares of our common stock with an exercise price of \$4.20 to two placement agents as compensation for their services in connection with the private placement. The issuance was made in reliance on the exemption provided by Section 4(2) of the Securities Act for the offer and sale of securities not involving a public offering and regulation D promulgated thereunder.

In October 2006, we issued 50,000 shares of our common stock to Hayden Communications, Inc. as payment for their investor relationship services rendered pursuant to a consulting agreement dated February 9, 2006. These stock issuances were exempt from registration pursuant to Section 4(2) of the Securities Act.

On November 27, 2006, we issued 1,538,462 shares of our common stock to 3 accredited investors for a consideration of \$10 million at a price of \$6.50 per share. The issuance was made in reliance on the exemption provided by Section 4(2) of the Securities Act for the offer and sale of securities not involving a public offering and Regulation D promulgated thereunder.

In instances described above where we issued securities in reliance upon Regulation D, we relied upon Rule 506 of Regulation D under the Securities Act. These stockholders who received the securities in such instances made representations that (a) the stockholder is acquiring the securities for his, her or its own account for investment and not for the account of any other person and not with a view to or for distribution, assignment or resale in connection with any distribution within the meaning of the Securities Act, (b) the stockholder agrees not to sell or otherwise transfer the purchased shares unless they are registered under the Securities Act and any applicable state securities laws, or an exemption or exemptions from such registration are available, (c) the stockholder has knowledge and experience in financial and business matters such that he, she or it is capable of evaluating the merits and risks of an investment in us, (d) the stockholder had access to all of our documents, records, and books pertaining to the investment and was provided the opportunity to ask questions and receive answers regarding the terms and conditions of the offering and to obtain any additional information which we possessed or were able to acquire without unreasonable effort and expense, and (e) the stockholder has no need for the liquidity in its investment in us and could afford the complete loss of such investment. Management made the determination that the investors in instances where we relied on Regulation D are Accredited Investors (as defined in Regulation D) based upon management's inquiry into their sophistication and net worth. In addition, there was no general solicitation or advertising for securities issued in reliance upon Regulation D.

In instances described above where we indicate that we relied upon Section 4(2) of the Securities Act in issuing securities, our reliance was based upon the following factors: (a) the issuance of the securities was an isolated private transaction by us which did not involve a public offering; (b) there were only a limited number of offerees; (c) there were no subsequent or contemporaneous public offerings of the securities by us; (d) the securities were not broken down into smaller denominations; and (e) the negotiations for the sale of the stock took place directly between the offeree and us.

PART II**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY FINANCIAL DATA**

The full text of our audited consolidated financial statements as of December 31, 2006 and 2005 begins on page F-1 of this Annual Report on Form 10-K.

The following table sets forth certain unaudited financial information for each of the eight quarters ended December 31, 2006. The consolidated financial statements for each of these quarters have been prepared on the same basis as the audited consolidated financial statements included in this report and, in the opinion of management, include all adjustments necessary for the fair presentation of the results of operations for these periods. This information should be read together with our audited consolidated financial statements and the related notes included elsewhere in this report.

All amounts in thousands of U.S. dollars

2006	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Revenue	\$ 14,594	\$ 8,015	\$ 43,448	\$ 40,932	\$ 106,989
Gross profit	\$ 4,397	\$ 3,037	\$ 12,862	\$ 10,717	\$ 31,013
Income before income taxes and minority interest	\$ 4,121	\$ 2,858	\$ 11,025	\$ 8,807	\$ 26,811
Net income	\$ 3,500	\$ 2,536	\$ 10,262	\$ 6,633	\$ 22,931
Basic income per share	\$ 0.16	\$ 0.10	\$ 0.40	\$ 0.22	\$ 0.88
Diluted income per share	\$ 0.16	\$ 0.10	\$ 0.39	\$ 0.20	\$ 0.85
2005					
Revenues	\$ 7,252	\$ 5,477	\$ 12,536	\$ 7,423	\$ 32,688
Gross profit	\$ 1,542	\$ 1,338	\$ 4,298	\$ 2,037	\$ 9,215
Income before income taxes and minority interest	\$ 1,716	\$ 967	\$ 4,148	\$ 1,216	\$ 8,046
Net income	\$ 2,618	\$ 1,210	\$ 3,365	\$ 73	\$ 7,266
Basic income per share	\$ 0.15	\$ 0.07	\$ 0.16	\$ 0.01	\$ 0.39
Diluted income per share	\$ 0.15	\$ 0.07	\$ 0.16	\$ 0.01	\$ 0.39

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENTS SCHEDULES.

(a) The following documents are filed as part of this report:

(1) Financial Statements

The consolidated financial statements filed as part of this Form 10-K are located as set forth in the index on page F-1 of this report.

(2) Financial Statement Schedules

Not applicable.

(3) Exhibits

The list of exhibits included in the attached Exhibit Index is hereby incorporated herein by reference.

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.

Date: March 23, 2007

CHINA SECURITY & SURVEILLANCE TECHNOLOGY, INC.

By: /s/ Guoshen Tu

Guoshen Tu
Chief Executive Officer and President

By: /s/ Terence Yap

Terence Yap
Chief Financial Officer

Exhibit Index

<u>Exhibit Number</u>	<u>Description</u>
2.1	Plan of Merger by and between China Security & Surveillance Technology, Inc., a BVI corporation, and China Security & Surveillance Technology, Inc., a Delaware corporation, dated September 30, 2006 (herein incorporated by reference from the registrant's registration statement on Form S-4 filed with the Securities and Exchange Commission on October 4, 2006).
2.2	Share Exchange Agreement, dated as of July 22, 2005, between the registrant and China Safetech Holdings Limited (herein incorporated by reference from the registrant's current report on Form 6-K filed with the Securities and Exchange Commission on July 22, 2005).
3.1	Certificate of Incorporation of the registrant (herein incorporated by reference from the registrant's registration statement on Form S-4 filed with the Securities and Exchange Commission on October 4, 2006).
3.2	By-laws of the registrant (herein incorporated by reference from the registrant's registration statement on Form S-4 filed with the Securities and Exchange Commission on October 4, 2006).
4.1	Notes Purchase Agreement, dated February 5, 2007, by and between the registrant and Citadel Equity Fund Ltd. (herein incorporated by reference from the registrant's report on Form 8-K filed with the Securities and Exchange Commission on February 9, 2007).
4.2	Share Pledge Agreement, dated February 8, 2007, by and among Citadel Equity Fund Ltd., The Bank of New York, Guoshen Tu, Zhiqun Li and Whitehorse Technology Limited (herein incorporated by reference from the registrant's report on Form 8-K filed with the Securities and Exchange Commission on February 9, 2007).
4.3	Form of the Notes (herein incorporated by reference from the registrant's report on Form 8-K filed with the Securities and Exchange Commission on February 9, 2007).
4.4	Notes Purchase Agreement, dated February 16, 2007, by and among the registrant, Safetech, CSST HK, CSST PRC, Golden, Cheng Feng and Citadel Equity Fund Ltd. (herein incorporated by reference from the registrant's report on Form 8-K filed with the Securities and Exchange Commission on February 16, 2007).
4.5	Indenture, dated February 16, 2007, among the registrant, Safetech, CSST HK and The Bank of New York (herein incorporated by reference from the registrant's report on Form 8-K filed with the Securities and Exchange Commission on February 16, 2007).
4.6	Investor Rights Agreement, dated February 16, 2007, among the registrant, Safetech, CSST HK, CSST PRC, Golden, Cheng Feng, Guoshen Tu, Zhiqun Li, Whitehorse Technology Limited and Citadel Equity Fund Ltd. (herein incorporated by reference from the registrant's report on Form 8-K filed with the Securities and Exchange Commission on February 16, 2007).
10.1	Share Purchase Agreement, dated as of July 22, 2005, by and among the registrant, Whitehorse Technology Limited and First Asia International Holdings Limited (herein incorporated by reference from the registrant's report on Form 6-K filed with the Securities and Exchange Commission on July 22, 2005).

- 10.2 Equity Transfer Agreement, dated as of October 25, 2005, by and among the registrant, Golden Group Corporation (Shenzhen) Limited, Shenzhen Yuan Da Wei Shi Technology Limited and its stockholders Jianguo Jiang and Jing Li (herein incorporated by reference from the registrant's report on Form 20-F filed with the Securities and Exchange Commission on June 14, 2006). (English Summary)
-

- 10.3 Amendment No. 1 to the Equity Transfer Agreement, dated as of April 28, 2006, by and among the registrant, Golden Group Corporation (Shenzhen) Limited, Shenzhen Yuan Da Wei Shi Technology Limited and its stockholders Jianguo Jiang and Jing Li (herein incorporated by reference from the registrant's report on Form 20-F filed with the Securities and Exchange Commission on June 14, 2006). (English Summary)
- 10.4 Amendment No. 2 to the Equity Transfer Agreement, dated as of May 25, 2006, by and among the registrant, Golden Group Corporation (Shenzhen) Limited, Shenzhen Yuan Da Wei Shi Technology Limited and its stockholders Jianguo Jiang and Jing Li. (herein incorporated by reference from the registrant's report on Form 20-F filed with the Securities and Exchange Commission on June 14, 2006). (English Summary)
- 10.5 Securities Purchase Agreement, dated as of April 4, 2006, among the registrant and certain investors (herein incorporated by reference from the registrant's current report on Form 6-K filed with the Securities and Exchange Commission on April 5, 2006).
- 10.6 Registration Rights Agreement, dated as of April 4, 2006, among the registrant and certain investors (herein incorporated by reference from the registrant's current report on Form 6-K filed with the Securities and Exchange Commission on April 5, 2006).
- 10.7 Cooperation Agreement, dated as of February 17, 2006, by and between Golden Group Corporation (Shenzhen) Limited and Graduate School (Shenzhen) of Beijing University (herein incorporated by reference from the registrant's report on Form 20-F filed with the Securities and Exchange Commission on June 14, 2006). (English Summary)
- 10.8 Consulting Agreement, dated as of February 8, 2006, by and between the registrant and Terence Yap (herein incorporated by reference from the registrant's report on Form 20-F filed with the Securities and Exchange Commission on June 14, 2006). **
- 10.9 Amendment No. 1 to Consulting Agreement, dated as of June 27, 2006, by and between the registrant and Terence Yap (herein incorporated by reference from the registrant's annual report on Form 20-F filed with the Securities and Exchange Commission on June 28, 2006). **
- 10.10 Form of Securities Purchase Agreement, dated as July 6, 2006, by and among CSST BVI and certain investors (herein incorporated by reference from the registrant's current report on Form 6-K filed with the Securities and Exchange Commission on July 6, 2006).
- 10.11 Form of Registration Rights Agreement, dated as July 6, 2006, by and among CSST BVI and certain investors (herein incorporated by reference from the registrant's current report on Form 6-K filed with the Securities and Exchange Commission on July 6, 2006).
- 10.12 Form of Warrant (herein incorporated by reference from the registrant's current report on Form 6-K filed with the Securities and Exchange Commission on July 6, 2006).
- 10.13 Form of Escrow Agreement, dated July 6, 2006, by and among the registrant, certain investors and Thelen Reid & Priest LLP (herein incorporated by reference from the registrant's current report on Form 6-K filed with the Securities and Exchange Commission on July 6, 2006).
- 10.14 Framework Agreement, dated July 6, 2006, by and among the registrant, China Safetech Holdings Limited and shareholders of Shanghai Cheng Feng Digital Technology Co., Ltd (herein incorporated by reference

from the registrant's current report on Form 6-K filed with the Securities and Exchange Commission on July 7, 2006). (English Summary)

- 10.15 Form of Waiver and Amendment to Securities Purchase Agreement, dated July 26, 2006, by and among the registrant and certain investors (herein incorporated by reference from the registrant's current report on Form 6-K filed with the Securities and Exchange Commission on July 31, 2006).
-

- 10.16 Form of Second Waiver and Amendment, dated July 27, 2006, by and among the registrant and certain investors (herein incorporated by reference from the registrant's current report on Form 6-K filed with the Securities and Exchange Commission on July 31, 2006).
 - 10.17 Asset Purchase Agreement, dated September 5, 2006, by and among the registrant, Golden Group Corporation (Shenzhen) Limited and Jian Golden An Ke Technology Co. Ltd. (English Summary) (herein incorporated by reference from the registrant's registration statement on Form S-1 filed with the Securities and Exchange Commission on October 23, 2006).
 - 10.18 Asset Purchase Agreement, dated September 5, 2006, by and among the registrant, Golden Group Corporation (Shenzhen) Limited and Shenzhen Golden Guangdian Technology Co. Ltd. (English Summary) (herein incorporated by reference from the registrant's registration statement on Form S-1 filed with the Securities and Exchange Commission on October 23, 2006).
 - 10.19 Asset Purchase Agreement, dated September 5, 2006, by and among the registrant, Golden Group Corporation (Shenzhen) Limited and Shenyang Golden Digital Technology Co. Ltd. (English Summary) (herein incorporated by reference from the registrant's registration statement on Form S-1 filed with the Securities and Exchange Commission on October 23, 2006).
 - 10.20 Asset Purchase Agreement, dated September 5, 2006, by and among the registrant, Golden Group Corporation (Shenzhen) Limited and Jiangxi Golden Digital Technology Co. Ltd. (English Summary) (herein incorporated by reference from the registrant's registration statement on Form S-1 filed with the Securities and Exchange Commission on October 23, 2006).
 - 10.21 China Security & Surveillance Technology, Inc. 2007 Equity Incentive Plan (herein incorporated by reference from the registrant's current report on Form 8-K filed with the Securities and Exchange Commission on February 13, 2007). **
 - 10.22 Letter Agreement Regarding Stock Purchase, dated as of November 27, 2006, by and among the registrant and certain investors (herein incorporated by reference from the registrant's current report on Form 8-K filed with the Securities and Exchange Commission on November 19, 2006).
 - 10.23 Strategic Cooperation Agreement, dated September 28, 2006, by and between the registrant and China Construction Bank. (English Translation)***
 - 14 Code of Ethics (herein incorporated by reference from the registrant's annual report on Form 20-F filed with the Securities and Exchange Commission on June 28, 2006).
 - 21 List of Subsidiaries ***
 - 23.1 Consent of GHP Horwath, P.C. *
 - 23.2 Consent of Child, Van Wagoner & Bradshaw, PLLC. *
 - 24 Power of Attorney (included on signature page).
 - 31.1 Certification of Chief Executive Officer, pursuant to Rule 13a - 14(a) *
-

- 31.2 Certification of Chief Financial Officer, pursuant to Rule 13a - 14(a) *
- 32.1 Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *
- 32.2 Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *
- 99.1 Form of Restricted Stock Grant Agreement (herein incorporated by reference from the registrant's current report on Form 8-K filed with the Securities and Exchange Commission on March 8, 2007).
- 99.2 Real Property Trust Agreement, dated August 21, 2006, by and between Zhiquan Li and Golden Group Corporation (Shenzhen) Limited (English translation). ***

* Filed herewith.

** Represents management contract or compensation plan or arrangement.

*** Incorporated by reference into the Company's Annual Report on Form 10-K dated March 21, 2007.
