



## Greenland Reports 64% YoY Increase in 1Q 2024 Net Income Per Share

May 16, 2024

- **Drives Year-over-Year Revenue Growth and Gross Margin Expansion**
- **Achieves Major Milestone with Sales to Maryland's Port of Baltimore**
- **Accelerates Expansion of the HEVI Authorized Service Provider (ASP) National Network**

EAST WINDSOR, N.J., May 16, 2024 /PRNewswire/ -- Greenland Technologies Holding Corporation (Nasdaq: GTEC) ("Greenland" or the "Company"), a technology developer and manufacturer of electric industrial vehicles and drivetrain systems for material handling machineries and vehicles, today announced its unaudited financial results for the first quarter ended March 31, 2024.

Raymond Wang, Chief Executive Officer of Greenland, said, "In the first quarter of 2024, we achieved a remarkable 64% year-over-year increase in our net income per share, driven by our focused execution of both short-term and long-term business strategies. Our electric vehicle (EV) sales are gaining significant traction, thanks to our strategic investments in developing a highly competitive lineup of electric industrial vehicles. These vehicles not only provide customers with the power and features necessary for their operations but also offer a renewable footprint and compelling return on investment. Furthermore, the expansion of our HEVI Authorized Service Provider ("ASP") national network is proving to be immensely beneficial. This network enhances confidence among HEVI owners, ensuring they have access to a robust and reliable service and support infrastructure wherever they operate. Our success in expanding our ASP national network is a key reason we have been building business momentum and have been able to secure numerous purchase agreements for our GEL-5000 and GEL-1800 all-electric loaders."

"In light of our significant progress and accelerating growth, the response from our customers and partners has been overwhelmingly positive, as they share in our dedication to excellence. We are thrilled about all of our pivotal strategic developments and eagerly anticipate providing further updates as we progress forward, as we strive to unlock value for all shareholders."

Jing Jin, Chief Financial Officer of Greenland, commented, "We started 2024 on a high note, with positive advancements in key financial metrics, strides in our long-term growth strategy, and a robust balance sheet to bolster our expansion initiatives. While we acknowledge challenges such as heightened shipping costs, credit losses, and staffing expenses associated with our expansion, we are optimistic that these headwinds will gradually ease as we progress through the year. This, in turn, we believe, will fuel additional profitable growth and enhance shareholder value."

### Financial Highlights

Greenland's revenue was \$22.72 million for the three months ended March 31, 2024, representing an increase of \$0.57 million, or 2.6%, as compared to \$22.15 million for the three months ended March 31, 2023. The increase in revenue was primarily a result of the increase in the Company's sales volume, driven by increasing market demand for transmission products for the three months ended March 31, 2024. On an RMB basis, revenue for the three months ended March 31, 2024 increased by approximately 7.8% as compared to the three months ended March 31, 2023.

Greenland's gross profit was \$5.65 million for the three months ended March 31, 2024, representing an increase of \$0.13 million, or 2.2%, as compared to \$5.52 million for the three months ended March 31, 2023. For the three months ended March 31, 2024 and 2023, Greenland's gross margins were 24.9%. The increase in gross profit in the three months ended March 31, 2024 compared to the three months ended March 31, 2023 was primarily due to the increase in sales volume.

Greenland's cost of goods sold consists primarily of material costs, freight charges, purchasing and receiving costs, inspection costs, internal transfer costs, wages, employee compensation, amortization, depreciation and related costs, which are directly attributable to the Company's manufacturing activities. The write down of inventory using the net realizable value impairment test is also recorded in cost of goods sold. The total cost of goods sold was \$17.08 million for the three months ended March 31, 2024, representing an increase of \$0.45 million, or 2.7%, as compared to \$16.63 million for the three months ended March 31, 2023. Cost of goods sold increased due to the increase in sales volume.

Total operating expenses were \$3.72 million, an increase of 18.1% from \$3.15 million in the first quarter of 2023. The increase was primarily due to higher shipping fees, staffing costs and general and administrative expenses.

Income from operations for the three months ended March 31, 2024 was \$1.93 million, representing a decrease of \$0.44 million, as compared to that of \$2.37 million for the three months ended March 31, 2023.

Net income was \$3.57 million for the three months ended March 31, 2024, representing an increase of \$1.11 million, as compared to that of \$2.46 million for the three months ended March 31, 2023. Net income was \$0.18 per basic and diluted share for the three months ended March 31, 2024, representing an increase of 64%, as compared to \$0.11 for the three months ended March 31, 2023.

Cash equivalents refers to all highly liquid investments purchased with original maturity of three months or less. As of March 31, 2024, Greenland had \$15.99 million of cash and cash equivalents, a decrease of approximately \$7.00 million, or 30.44%, as compared to \$22.98 million as of December 31, 2023. The decrease of cash and cash equivalents was mainly due to an increase in notes receivables and fixed deposit, as compared to that as of December 31, 2023.

As of March 31, 2024, Greenland had approximately \$22.58 million of accounts receivables, an increase of \$5.23 million, or 30.14%, as compared to \$17.35 million as of December 31, 2023. The increase in accounts receivables was due to the increase in the Company's sales volume and slowed down efforts in receivables collections. Greenland recorded \$1.42 million and \$0.87 million of allowance for expected credit losses as of March 31, 2024 and December 31, 2023, respectively.

As of March 31, 2024, Greenland had \$32.13 million of notes receivables, which it expects to collect within twelve months. The increase was \$4.99 million, or 18.39%, as compared to \$27.14 million as of December 31, 2023.

## About Greenland Technologies Holding Corporation

Greenland Technologies Holding Corporation (Nasdaq: GTEC) is a developer and a manufacturer of drivetrain systems for material handling machineries and electric vehicles, as well as electric industrial vehicles. Information on the Company's clean industrial heavy equipment division can be found at HEVI Corp. Greenland Technologies Holding Corporation (NASDAQ: GTEC) is a developer and a manufacturer of drivetrain systems for material handling machineries and electric vehicles, as well as electric industrial vehicles. Information on the Company's clean industrial heavy equipment division can be found at [HEVI Corp.](#)

### Safe Harbor Statement

This press release contains statements that may constitute "forward-looking statements." Such statements reflect Greenland's current views with respect to future events and are subject to such risks and uncertainties, many of which are beyond the control of Greenland, including those set forth in the Risk Factors section of Greenland's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC"). Copies are available on the SEC's website, [www.sec.gov](http://www.sec.gov). Words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, Greenland's expectations with respect to future performance. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated or expected. Statements contained in this news release regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Greenland does not intend and does not assume any obligation to update these forward-looking statements, other than as required by law.

### Statement Regarding Preliminary Unaudited Financial Information

The unaudited financial information set out in this earnings release is preliminary and subject to potential adjustments. Adjustments to the consolidated financial statements may be identified when audit work has been performed for the Company's year-end audit, which could result in significant differences from this preliminary unaudited financial information.

## GREENLAND TECHNOLOGIES HOLDING CORPORATION AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (UNAUDITED, IN U.S. DOLLARS)

|  | March 31,<br>2024     | December 31,<br>2023  |
|--|-----------------------|-----------------------|
| <b>ASSETS</b>  |                       |                       |
| <b>Current assets</b>  |                       |                       |
| Cash and cash equivalents                                    | \$ 15,985,073         | \$ 22,981,324         |
| Restricted cash  | 3,850,217             | 5,208,063             |
| Short Term Investment  | 2,794,690             | 2,818,068             |
| Notes receivable   | 32,125,580            | 27,135,249            |
| Accounts receivable, net                                     | 21,159,628            | 16,483,533            |
| Inventories, net   | 24,746,244            | 24,596,795            |
| Due from related parties-current, net                        | 228,311               | 225,927               |
| Advance to suppliers   | 606,469               | 288,578               |
| Prepayments and other current assets                         | 1,878,130             | 53,204                |
| <b>Total Current Assets</b>                                  | <b>\$ 103,374,342</b> | <b>\$ 99,790,741</b>  |
| <b>Non-current asset</b>                                     |                       |                       |
| Property, plant, equipment and construction in progress, net | 14,110,492            | 13,698,997            |
| Land use rights, net   | 3,369,694             | 3,448,505             |
| Other intangible assets                                      | 162,579               | 189,620               |
| Deferred tax assets  | 437,459               | 256,556               |
| Right-of-use assets  | 1,996,392             | 2,125,542             |
| Fixed deposit  | 15,395,169            | 9,916,308             |
| Other non-current assets                                     | 335,304               | 1,050,698             |
| <b>Total non-current assets</b>                              | <b>\$ 35,807,089</b>  | <b>\$ 30,686,226</b>  |
| <b>TOTAL ASSETS</b>  | <b>\$ 139,181,431</b> | <b>\$ 130,476,967</b> |
| <b>Current Liabilities</b>                                   |                       |                       |
| Short-term bank loans  | \$ 8,254,505          | \$ 3,042,296          |
| Notes payable-bank acceptance notes                          | 33,167,150            | 36,712,562            |
| Accounts payable   | 30,845,465            | 25,272,528            |
| Taxes payables   | 745,662               | 758,307               |
| Customer deposits  | 339,838               | 137,985               |
| Due to related parties                                       | 4,021,592             | 4,021,636             |

|   |                       |                       |
|---|-----------------------|-----------------------|
| Other current liabilities   | 1,947,696             | 2,091,507             |
| Lease liabilities   | 488,568               | 487,695               |
| <b>Total current liabilities</b>  | <b>\$ 79,810,476</b>  | <b>\$ 72,524,516</b>  |
| <b>Long-term liabilities</b>  |                       |                       |
| Lease liabilities   | 1,560,279             | 1,684,614             |
| Other long-term liabilities   | 1,447,490             | 1,529,831             |
| Warrant liability   | 3,049,299             | 4,084,605             |
| <b>Total long-term liabilities</b>  | <b>\$ 6,057,068</b>   | <b>\$ 7,299,050</b>   |
| <b>TOTAL LIABILITIES</b>  | <b>\$ 85,867,544</b>  | <b>\$ 79,823,566</b>  |
| <b>COMMITMENTS AND CONTINGENCIES</b>  |                       |                       |
| <b>Shareholders' equity</b>   |                       |                       |
| Ordinary shares, no par value, unlimited shares authorized;<br>13,594,530 and 13,594,530 shares issued and outstanding as of<br>March 31, 2024 and December 31, 2023. | -                     | -                     |
| Additional paid-in capital  | 30,286,560            | 30,286,560            |
| Statutory reserves  | 3,842,331             | 3,842,331             |
| Retained earnings   | 21,037,336            | 18,535,133            |
| Accumulated other comprehensive loss  | (3,237,602)           | (2,583,794)           |
| <b>Total shareholders' equity</b>   | <b>\$ 51,928,625</b>  | <b>\$ 50,080,230</b>  |
| Non-controlling interest  | 1,385,262             | 573,171               |
| <b>TOTAL EQUITY</b>   | <b>\$ 53,313,887</b>  | <b>\$ 50,653,401</b>  |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>   | <b>\$ 139,181,431</b> | <b>\$ 130,476,967</b> |

**GREENLAND TECHNOLOGIES HOLDING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)**  
(UNAUDITED, IN U.S. DOLLARS)

|   | For the<br>three months ended<br>March 31, |                      |
|---|--|----------------------|
|   | 2024                                       | 2023                 |
| <b>Revenues</b>   | <b>\$ 22,723,591</b>                       | <b>\$ 22,149,360</b> |
| <b>Cost of goods sold</b>   | <b>17,076,522</b>                          | <b>16,625,930</b>    |
| <b>Gross profit</b>   | <b>5,647,069</b>                           | <b>5,523,430</b>     |
| Selling expenses  | 549,496                                    | 387,485              |
| General and administrative expenses   | 2,183,429                                  | 1,641,904            |
| Research and development expenses   | 987,724                                    | 1,119,891            |
| <b>Total operating expenses</b>   | <b>\$ 3,720,649</b>                        | <b>\$ 3,149,280</b>  |
| <b>INCOME FROM OPERATIONS</b>   | <b>\$ 1,926,420</b>                        | <b>\$ 2,374,150</b>  |
| Interest income   | 169,213                                    | 30,393               |
| Interest expense  | (43,840)                                   | (66,493)             |
| Change in fair value of the warrant liability   | 1,035,306                                  | -                    |
| Other income  | 296,148                                    | 417,382              |
| <b>INCOME BEFORE INCOME TAX</b>   | <b>\$ 3,383,247</b>                        | <b>\$ 2,755,432</b>  |
| <b>INCOME TAX BENEFIT (EXPENSE)</b>   | <b>(186,001)</b>                           | <b>296,858</b>       |
| <b>NET INCOME</b>   | <b>\$ 3,569,248</b>                        | <b>\$ 2,458,574</b>  |
| LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST  | 1,067,045                                  | 1,011,599            |
| <b>NET INCOME ATTRIBUTABLE TO GREENLAND TECHNOLOGIES<br/>HOLDING CORPORATION AND SUBSIDIARIES</b>                                 | <b>\$ 2,502,203</b>                        | <b>\$ 1,446,975</b>  |
| <b>OTHER COMPREHENSIVE INCOME (LOSS):</b>   | <b>(908,762)</b>                           | <b>317,332</b>       |
| Unrealized foreign currency translation income (loss) attribute to Greenland<br>Technologies Holding Corporation and subsidiaries | (653,808)                                  | 212,352              |
| Unrealized foreign currency translation income (loss) attribute to non-controlling<br>interest                                    | (254,954)                                  | 104,980              |
| <b>Total comprehensive income attributable to Greenland Technologies Holding<br/>Corporation and subsidiaries</b>                 | <b>1,848,395</b>                           | <b>1,659,327</b>     |
| <b>Total comprehensive income attributable to noncontrolling interest</b>   | <b>812,091</b>                             | <b>1,116,579</b>     |

**WEIGHTED AVERAGE ORDINARY SHARES OUTSTANDING:**

Basic and diluted

|                   |                   |
|-------------------|-------------------|
| <u>13,594,530</u> | <u>12,978,504</u> |
| 0.18              | 0.11              |

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