



## Greenland Reports 75.3% Increase in Net Income for First Nine Months of 2024

Nov 14, 2024

- **Revenue for the First Nine Months of 2024 of \$64.57 Million, Decreases Slightly from \$67.56 Million in First Nine Months of 2023**
- **Operating Expenses Decrease 15.6% for the First Nine Months of 2024 Compared to the First Nine Months of 2023**
- **Strong Balance Sheet with Cash and Restricted Cash Balance of \$20.72 Million After Repaying \$9.25 Million in Loans**
- **Continues to Execute on Growth Strategy with Significant Expansion of Product Roadmap and Strategic Partner Distribution, Sales and Support Ecosystem**

EAST WINDSOR, N.J., Nov. 14, 2024 /PRNewswire/ -- Greenland Technologies Holding Corporation (Nasdaq: GTEC) ("Greenland," "we," "our," "us," 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 nine months and third quarter ended September 30, 2024, with net income for the first nine months of 2024 increasing 75.3% compared to the first nine months of 2023.



Raymond Wang, Chief Executive Officer of Greenland, said, "Our team continues to execute on our growth strategy with significant expansion of our product roadmap, and our strategic partner distribution, sales and support ecosystem. This includes launching our game changing all electric vehicle, model H65L, which was the largest electric wheel loader available in North America at launch. As with all HEVI products, customers can expect the same reliable performance they demand with fewer costs and zero emissions. Our focus on delivering maximum productivity with minimal environmental impact is resonating with customers. We expect that as the broader economy continues to rebound and demand for our electric vehicles will increase further. We are confident in our outlook for the coming quarters based on discussions with customers, our backlog of orders and the tailwinds benefiting the Company from supportive regulatory and subsidy."

Jing Jin, Chief Financial Officer of Greenland, commented, "For the first nine months of 2024, we drove operating expenses down 15.6% and net income up 75.3% compared to the first nine months of 2023, all with a corresponding 4.4% decrease in revenue over the same period. This surge in profitability is a testament to the durability of our business model and our unwavering focus on driving costs down across our operations and profits up. We have emerged from a challenging period in global business in a stronger position, with a healthy balance sheet to support our growth strategy, as we continue to prioritize building shareholder value."

### **Nine Months Ended September 30, 2024 Financial Highlights**

Greenland's revenue was approximately \$64.57 million for the nine months ended September 30, 2024, representing a decrease of approximately \$2.99 million, or 4.4%, as compared to that of approximately \$67.56 million for the nine months ended September 30, 2023. The decrease in revenue was primarily a result of the decrease of approximately \$3.60 million in the Company's sales volume of transmission products for the nine months

ended September 30, 2024. On an Renminbi ("RMB") basis, our revenue for the nine months ended September 30, 2024 decreased by approximately 2.2% as compared to that for the nine months ended September 30, 2023.

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 total cost of goods sold was approximately \$47.19 million for the nine months ended September 30, 2024, representing a decrease by approximately \$1.65 million, or 3.4%, as compared to that of approximately \$48.84 million for the nine months ended September 30, 2023.

Greenland's gross profit was approximately \$17.39 million for the nine months ended September 30, 2024, representing a decrease by approximately \$1.33 million, or 7.1%, as compared to that of approximately \$18.72 million for the nine months ended September 30, 2023. For the nine months ended September 30, 2024 and 2023, Greenland's gross margins were approximately 26.9% and 27.7%, respectively. The decrease in gross profit in the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 was primarily due to a decrease in our sales volume.

Total operating expenses were \$8.55 million for the nine months ended September 30, 2024, a decrease of 15.6% from \$10.13 million in the first nine months of 2023. The decrease was primarily due to lower advertising and marketing expenses, shipping fees, staffing costs, general and administrative expenses, and research and development expenses.

Income from operations for the nine months ended September 30, 2024 was approximately \$8.84 million, representing an increase of approximately \$0.25 million, as compared to that of approximately \$8.59 million for the nine months ended September 30, 2023.

Net income was approximately \$9.80 million for the nine months ended September 30, 2024, representing an increase of approximately \$4.21 million, as compared to that of approximately \$5.59 million for the nine months ended September 30, 2023. Net income per basic and diluted share was \$0.48 for the nine months ended September 30, 2024, representing an increase of 118.2%, as compared to \$0.22 for the nine months ended September 30, 2023.

Cash equivalents refers to all highly liquid investments purchased with original maturity of three months or less. As of September 30, 2024, Greenland had approximately \$17.63 million of cash and cash equivalents, representing a decrease of approximately \$5.35 million, or 23.27%, as compared to approximately \$22.98 million as of December 31, 2023. The decrease of cash and cash equivalents was mainly due to a decrease in short-term bank loans and notes payable, as compared to that as of December 31, 2023.

Restricted cash represents the amount held by a bank as security for bank acceptance notes and therefore is not available for use until the bank acceptance notes are fulfilled or expired, which typically takes less than twelve months. As of September 30, 2024, Greenland had approximately \$3.09 million of restricted cash, representing a decrease of approximately \$2.12 million, or 40.64%, as compared to that of approximately \$5.21 million as of December 31, 2023. The decrease of restricted cash was due to a decrease of notes payable.

For the nine months ended September 30, 2024, the Company's PRC subsidiary, Zhejiang Zhongchai Machinery Co. Ltd., paid off approximately \$8.56 million in bank loans, and approximately \$0.69 million associated with loans to third parties, while maintaining \$17.63 million cash on hand. The Company plans to maintain the current debt structure and rely on governmentally supported loans with lower costs, if necessary.

As of September 30, 2024, Greenland had approximately \$20.27 million of accounts receivables, an increase of approximately \$3.79 million, or 22.97%, as compared to approximately \$16.48 million as of December 31, 2023. The increase in accounts receivables was due to the increase in our sales volume and our slowed-down efforts in receivables collections.

### **3Q 2024 Financial Highlights**

Greenland's revenue was approximately \$18.83 million for the three months ended September 30, 2024, representing a decrease of approximately \$3.01 million, or 13.8%, as compared to that of approximately \$21.84 million for the three months ended September 30, 2023. The decrease in revenue was primarily a result of the decrease of approximately \$2.88 million in the Company's sales volume of transmission products for the three months ended September 30, 2024. On an RMB basis, our revenue for the three months ended September 30, 2024 decreased by approximately 14.9% as compared to that for the three months ended September 30, 2023.

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 approximately \$13.87 million for the three months ended September 30, 2024, representing a decrease by approximately \$1.70 million, or 10.9%, as compared to that of approximately \$15.57 million for the three months ended September 30, 2023. Cost of goods sold decreased due to the decrease in our sales volume.

Greenland's gross profit was approximately \$4.97 million for the three months ended September 30, 2024, representing a decrease by approximately \$1.30 million, or 20.8%, as compared to that of approximately \$6.27 million for the three months ended September 30, 2023. For the three months ended September 30, 2024 and 2023, Greenland's gross margin were approximately 26.4% and 28.7%, respectively. The decrease in gross profit in the three months ended September 30, 2024 compared to the three months ended September 30, 2023 was primarily due to the decrease in our sales volume.

Total operating expenses were \$2.04 million, a decrease of 41% from \$3.46 million in the third quarter of 2023. The decrease was primarily due to lower advertising and marketing expenses, shipping fees, staffing costs, general and administrative expenses, and research and development expenses.

Income from operations for the three months ended September 30, 2024 was approximately \$2.93 million, representing an increase of approximately \$0.12 million, as compared to that of approximately \$2.81 million for the three months ended September 30, 2023.

Net income was approximately \$0.36 million for the three months ended September 30, 2024, representing an increase of approximately \$0.17 million, as compared to that of approximately \$0.19 million for the three months ended September 30, 2023. Net loss per basic and diluted share was \$0.05 for the three months ended September 30, 2024, representing a 29% improvement, as compared to a net loss of \$0.07 for the three months ended September 30, 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.](#)

### 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 Reports 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 the success of Greenland's business execution, ability to unlock shareholder value or its ability to grow its business as an integrated company. 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 (AUDITED, IN U.S. DOLLARS)

	September 30, 2024	December 31, 2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 17,633,936	\$ 22,981,324
Restricted cash	3,091,545	5,208,063
Short Term Investment	7,053,694	2,818,068
Notes receivable	27,681,834	27,135,249
Accounts receivable, net	20,268,970	16,483,533
Inventories, net	21,844,780	24,596,795
Due from related parties-current, net	228,311	225,927
Advance to suppliers	631,924	288,578
Prepayments and other current assets	1,748,121	53,204
<b>Total Current Assets</b>	<b>\$ 100,183,115</b>	<b>\$ 99,790,741</b>
<b>Non-current asset</b>		
Property, plant, equipment and construction in progress, net	13,823,008	13,698,997
Land use rights, net	3,423,184	3,448,505
Other intangible assets	118,139	189,620
Deferred tax assets	483,781	256,556
Right-of-use assets	1,748,818	2,125,542
Fixed deposit	7,337,008	9,916,308
Other non-current assets	390,365	1,050,698
<b>Total non-current assets</b>	<b>\$ 27,324,303</b>	<b>\$ 30,686,226</b>
<b>TOTAL ASSETS</b>	<b>\$ 127,507,418</b>	<b>\$ 130,476,967</b>
<b>Current Liabilities</b>		
Short-term bank loans	\$ -	\$ 3,042,296
Notes payable-bank acceptance notes	25,463,319	36,712,562
Accounts payable	26,342,111	25,272,528
Taxes payables	767,200	758,307
Customer deposits	420,266	137,985
Due to related parties	3,831,666	3,831,636
Other current liabilities	2,365,909	2,281,507

Lease liabilities	506,118	487,695
<b>Total current liabilities</b>	<b>\$ 59,696,589</b>	<b>\$ 72,524,516</b>
<b>Non-current liabilities</b>		
Lease liabilities	1,301,291	1,684,614
Deferred revenue	1,372,358	1,529,831
Warrant liability	3,841,293	4,084,605
<b>Total non-current liabilities</b>	<b>\$ 6,514,942</b>	<b>\$ 7,299,050</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 66,211,531</b>	<b>\$ 79,823,566</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	-	-
<b>Shareholders' equity</b>		
Ordinary shares, no par value, unlimited shares authorized; 13,594,530 and 13,594,530 shares issued and outstanding as of September 30, 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	25,003,855	18,535,133
Accumulated other comprehensive loss	(2,004,595)	(2,583,794)
<b>Total shareholders' equity</b>	<b>\$ 57,128,151</b>	<b>\$ 50,080,230</b>
Non-controlling interest	4,167,736	573,171
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>\$ 61,295,887</b>	<b>\$ 50,653,401</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 127,507,418</b>	<b>\$ 130,476,967</b>

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
<b>Revenues</b>	<b>\$ 18,834,093</b>	<b>\$ 21,836,761</b>	<b>\$ 64,574,944</b>	<b>\$ 67,555,570</b>
<b>Cost of goods sold</b>	<b>13,868,406</b>	<b>15,568,224</b>	<b>47,188,133</b>	<b>48,835,766</b>
<b>Gross profit</b>	<b>4,965,687</b>	<b>6,268,537</b>	<b>17,386,811</b>	<b>18,719,804</b>
Selling expenses	397,444	606,649	1,412,086	1,568,174
General and administrative expenses	1,202,242	1,610,100	4,585,163	4,771,568
Research and development expenses	437,978	1,245,646	2,548,765	3,790,931
<b>Total operating expenses</b>	<b>\$ 2,037,664</b>	<b>\$ 3,462,395</b>	<b>\$ 8,546,014</b>	<b>\$ 10,130,673</b>
<b>INCOME FROM OPERATIONS</b>	<b>\$ 2,928,023</b>	<b>\$ 2,806,142</b>	<b>\$ 8,840,797</b>	<b>\$ 8,589,131</b>
Interest income	237,333	4,242	622,278	79,318
Interest expense	(9,477)	(72,952)	(89,325)	(218,949)
Change in fair value of the warrant liability	(2,661,012)	-	243,312	-
Other income (loss)	208,676	(1,663,627)	1,023,713	(1,375,252)
<b>INCOME BEFORE INCOME TAX</b>	<b>\$ 703,543</b>	<b>\$ 1,073,805</b>	<b>\$ 10,640,775</b>	<b>\$ 7,074,248</b>
<b>INCOME TAX EXPENSE</b>	<b>344,250</b>	<b>878,922</b>	<b>839,050</b>	<b>1,480,595</b>
<b>NET INCOME</b>	<b>\$ 359,293</b>	<b>\$ 194,883</b>	<b>\$ 9,801,725</b>	<b>\$ 5,593,653</b>
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	1,043,684	1,082,303	3,333,003	2,634,960
<b>NET INCOME ATTRIBUTABLE TO GREENLAND TECHNOLOGIES HOLDING CORPORATION AND SUBSIDIARIES</b>	<b>\$ (684,391)</b>	<b>\$ (887,420)</b>	<b>\$ 6,468,722</b>	<b>\$ 2,958,693</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS):</b>	<b>2,153,895</b>	<b>3,756,643</b>	<b>840,761</b>	<b>(517,156)</b>
Unrealized foreign currency translation loss attributable to Greenland Technologies Holding Corporation and subsidiaries	1,530,392	2,251,583	579,199	(721,427)
Unrealized foreign currency translation loss attributable to non-controlling interest	623,503	1,505,060	261,562	204,271

<b>Total comprehensive income attributable to Greenland technologies holding corporation and subsidiaries</b>	<b>846,001</b>	<b>1,364,163</b>	<b>7,047,921</b>	<b>2,237,266</b>
<b>Total comprehensive income attributable to noncontrolling interest</b>	<b>1,667,187</b>	<b>2,587,363</b>	<b>3,594,565</b>	<b>2,839,231</b>
<b>WEIGHTED AVERAGE ORDINARY SHARES OUTSTANDING:</b>	<u>13,594,530</u>	<u>13,594,530</u>	<u>13,594,530</u>	<u>13,307,954</u>
Basic and diluted	(0.05)	(0.07)	0.48	0.22

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